



Report to Shareholders

Third Quarter 2025

National Bank reports its results for the Third Quarter of 2025

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the quarter and the nine-month period ended July 31, 2025 and is prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). All amounts are presented in Canadian dollars.

MONTREAL, August 27, 2025 – For the third quarter of 2025, National Bank is reporting net income of \$1,065 million, up 3% from \$1,033 million in the third quarter of 2024. Diluted earnings per share stood at \$2.58 compared to \$2.89 in the third quarter of 2024. Excluding specified items⁽¹⁾ recorded in the third quarters of 2025 and 2024 related to the acquisition of Canadian Western Bank (CWB)⁽²⁾, adjusted net income⁽¹⁾ stood at \$1,104 million, up 15% from \$960 million in the corresponding quarter of 2024. Adjusted diluted earnings per share⁽¹⁾ stood at \$2.68, stable compared to the corresponding quarter of 2024.

For the nine-month period ended July 31, 2025, the Bank's net income totalled \$2,958 million, up 3% from \$2,861 million for the corresponding period in 2024. Diluted earnings per share stood at \$7.50 for the nine-month period ended July 31, 2025 versus \$8.03 for the corresponding period in 2024, the decrease being attributable to the common shares issued as part of the acquisition of CWB⁽²⁾. Excluding specified items⁽¹⁾, adjusted net income⁽¹⁾ for the nine-month period ended July 31, 2025 totalled \$3,320 million, up 19% from \$2,788 million for the corresponding period in 2024, and adjusted diluted earnings per share⁽¹⁾ stood at \$8.46, up 8% from \$7.82 for the nine-month period ended July 31, 2024, driven by good performance in all of the business segments.

"The Bank reported solid third quarter results, reflecting strong revenue fundamentals and credit performance, combined with synergy momentum from the CWB acquisition. With strong capital levels and a disciplined approach to credit and efficiency, we will continue to execute our CWB integration plan while investing in business growth," said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada.

Highlights

(millions of Canadian dollars)		Quarter ended July 31			Nine months ended July 31		
	2025 ⁽²⁾	2024 ⁽³⁾	% Change	2025 ⁽²⁾	2024 ⁽³⁾	% Change	
Net income	1,065	1,033	3	2,958	2,861	3	
Diluted earnings per share (<i>dollars</i>)	\$ 2.58	\$ 2.89	(11)	\$ 7.50	\$ 8.03	(7)	
Income before provisions for credit losses and income taxes	1,524	1,455	5	4,769	3,994	19	
Return on common shareholders' equity ⁽⁴⁾	13.6 %	18.4 %		13.8 %	17.5 %		
Dividend payout ratio ⁽⁴⁾	44.3 %	41.6 %		44.3 %	41.6 %		
Operating results – Adjusted⁽¹⁾							
Net income – Adjusted	1,104	960	15	3,320	2,788	19	
Diluted earnings per share – Adjusted (<i>dollars</i>)	\$ 2.68	\$ 2.68	–	\$ 8.46	\$ 7.82	8	
Income before provisions for credit losses and income taxes – Adjusted	1,643	1,354	21	5,103	3,893	31	
Return on common shareholders' equity – Adjusted ⁽⁵⁾	14.1 %	17.0 %		15.6 %	17.0 %		
				As at July 31, 2025	As at October 31, 2024		
CET1 capital ratio under Basel III ⁽⁶⁾				13.9 %	13.7 %		
Leverage ratio under Basel III ⁽⁶⁾				4.7 %	4.4 %		

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(2) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(3) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes. For additional information, see the Financial Reporting Method section.

(4) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

(6) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Personal and Commercial⁽¹⁾

- Net income totalled \$370 million in the third quarter of 2025 versus \$366 million in the third quarter of 2024, a 1% increase. Adjusted net income⁽²⁾ totalled \$386 million, up 5% from the corresponding quarter of 2024.
- At \$1,449 million, third-quarter total revenues rose \$251 million or 21% year over year due to the inclusion of CWB, which represents \$228 million or 19%, as well as an increase in net interest income related to growth in loan and deposit volumes, partly offset by a lower net interest margin.
- Compared to a year ago, personal lending grew 12% and commercial lending grew 61%, due to the inclusion of CWB loans and strong organic growth.
- Net interest margin⁽³⁾ stood at 2.25% in the third quarter of 2025, down from 2.31% in the third quarter of 2024.
- Third-quarter non-interest expenses stood at \$805 million, up 31% year over year, of which the inclusion of CWB drove a 22% increase.
- Provisions for credit losses rose \$55 million year over year, mainly due to the provisions for credit losses on impaired loans.
- At 55.6%, the third-quarter efficiency ratio⁽³⁾ deteriorated compared to 51.3% in the third quarter of 2024.

Wealth Management⁽¹⁾

- Net income totalled \$244 million in the third quarter of 2025, a 12% increase from \$217 million in the corresponding quarter of 2024.
- Third-quarter total revenues amounted to \$811 million compared to \$716 million in third-quarter 2024, a \$95 million or 13% increase driven mainly by growth in fee-based revenues and the inclusion of CWB's revenues.
- Third-quarter non-interest expenses stood at \$477 million versus \$416 million in third-quarter 2024, a 15% increase associated with revenue growth and with the impact of the inclusion of CWB.
- At 58.8%, the third-quarter efficiency ratio⁽³⁾ deteriorated compared to 58.1% in the third quarter of 2024.

Financial Markets⁽¹⁾

- Net income totalled \$334 million in the third quarter of 2025, up 5% from \$318 million in the third quarter of 2024.
- Third-quarter total revenues amounted to \$777 million, a 13% increase that was mainly due to growth in corporate and investment banking revenues.
- Third-quarter non-interest expenses stood at \$347 million compared to \$320 million in third-quarter 2024, an increase that was due to compensation and employee benefits as well as technology investment expenses.
- Third-quarter provisions for credit losses were \$24 million compared to \$22 million in the corresponding quarter of 2024.
- At 44.7%, the efficiency ratio⁽³⁾ improved from 46.4% in the third quarter of 2024.

U.S. Specialty Finance and International

- Net income totalled \$178 million in the third quarter of 2025, up 13% from \$158 million in the third quarter of 2024.
- Third-quarter total revenues amounted to \$402 million, an 11% year-over-year increase driven mainly by revenue growth at the ABA Bank subsidiary.
- Non-interest expenses for the third quarter of 2025 stood at \$135 million, a 17% year-over-year increase mainly attributable to the ABA Bank subsidiary.
- Third-quarter provisions for credit losses were down \$4 million year over year, with the decrease being attributable to the Credigy subsidiary, partly offset by higher provisions for credit losses at the ABA Bank subsidiary.
- At 33.6%, the efficiency ratio⁽³⁾ deteriorated from 31.9% in the third quarter of 2024.

Other⁽¹⁾

- The *Other* heading reported a net loss of \$61 million in the third quarter of 2025 compared to a net loss of \$26 million in the corresponding quarter of 2024, owing mainly to the specified items⁽²⁾ related to the CWB acquisition which had an unfavourable impact of \$21 million on the net loss for the third quarter of 2025 compared to a favourable impact of \$73 million on the net loss of the corresponding quarter of 2024. These elements were partly offset by a higher contribution from Treasury activities and by the inclusion of CWB results.

Capital Management⁽¹⁾

- As at July 31, 2025, the Common Equity Tier 1 (CET1) capital ratio under Basel III⁽⁴⁾ stood at 13.9%, up from 13.7% as at October 31, 2024, and the Basel III⁽⁴⁾ leverage ratio was 4.7%, up from 4.4% as at October 31, 2024.
- The Bank announced a normal course issuer bid to repurchase for cancellation up to 8,000,000 common shares. This normal course issuer bid is subject to the approval of the Office of the Superintendent of Financial Institutions (Canada) and the Toronto Stock Exchange.

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(3) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(4) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Management's Discussion and Analysis

August 26, 2025

The following Management's Discussion and Analysis (MD&A) presents the financial condition and operating results of National Bank of Canada (the Bank). This analysis was prepared in accordance with the requirements set out in *National Instrument 51-102, Continuous Disclosure Obligations*, released by the Canadian Securities Administrators (CSA). This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements (the Consolidated Financial Statements) and accompanying notes for the quarter and nine-month period ended July 31, 2025 and with the audited annual consolidated financial statements for the year ended October 31, 2024 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated. IFRS represent Canadian generally accepted accounting principles (GAAP). All amounts are presented in Canadian dollars. Additional information about the Bank, including the *Annual Information Form*, can be obtained from the Bank's website at nbc.ca and SEDAR+'s website at sedarplus.ca. The information found in the various documents and reports published by the Bank or the information available on the Bank's website and mentioned herein is not and should not be considered incorporated by reference into the Report to Shareholders, the Management's Discussion and Analysis, or the consolidated financial statements, unless expressly stated otherwise.

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Caution Regarding Forward-Looking Statements

Certain statements in this document are forward-looking statements. These statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this document may include, but are not limited to, statements in the messages from management, as well as other statements about the economy, market changes, the Bank's objectives, outlook, and priorities for fiscal 2025 and beyond, the strategies or actions that the Bank will take to achieve them, expectations for the Bank's financial condition and operations, the regulatory environment in which it operates, the potential impacts of increased geopolitical uncertainty on the Bank and its clients, its environmental, social, and governance targets and commitments, the impacts and benefits of the acquisition of Canadian Western Bank (CWB), and certain risks to which the Bank is exposed. The Bank may also make forward-looking statements in other documents and regulatory filings, as well as orally. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", the use of future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would", as well as similar terms and expressions.

These forward-looking statements are intended to assist the security holders of the Bank in understanding the Bank's financial position and results of operations as at the dates indicated and for the periods then ended, as well as the Bank's vision, strategic objectives, and performance targets, and may not be appropriate for other purposes. These forward-looking statements are based on current expectations, estimates, assumptions and intentions that the Bank deems reasonable as at the date thereof and are subject to inherent uncertainty and risks, many of which are beyond the Bank's control. There is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that its assumptions will not be confirmed, and that its vision, strategic objectives, and performance targets will not be achieved. The Bank cautions investors that these forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from these statements due to a number of factors. Therefore, the Bank recommends that readers not place undue reliance on these forward-looking statements, as a number of factors could cause actual results to differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements. Investors and others who rely on the Bank's forward-looking statements should carefully consider the factors listed below as well as other uncertainties and potential events and the risks they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf.

Assumptions about the performance of the Canadian and U.S. economies in 2025, in particular in the context of increased geopolitical uncertainty, and how that performance will affect the Bank's business are among the factors considered in setting the Bank's strategic priorities and objectives, including allowances for credit losses. These assumptions appear in the *2024 Annual Report* in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections of the *2024 Annual Report* and the Economic Review and Outlook section of this document, and may be updated in the quarterly reports to shareholders filed thereafter.

The forward-looking statements made in this document are based on a number of assumptions and their future outcome is subject to a variety of risk factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, the general economic environment and business and financial market conditions in Canada, the United States, and the other countries where the Bank operates, including recession risk; geopolitical and sociopolitical uncertainty; the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, as well as the possible impacts on our clients, our operations and, more generally, the economy; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes to fiscal, monetary, and other public policies; regulatory oversight and changes to regulations that affect the Bank's business; the Bank's ability to successfully integrate CWB and the undisclosed costs or liability associated with the acquisition; climate change, including physical risks and risks related to the transition to a low-carbon economy; the Bank's ability to meet stakeholder expectations on environmental and social issues, the need for active and continued stakeholder engagement; the availability of comprehensive and high-quality information from customers and other third parties, including greenhouse gas emissions; the ability of the Bank to develop indicators to effectively monitor progress; the development and deployment of new technologies and sustainable products; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the housing situation, real estate market, and household indebtedness in Canada; the Bank's ability to achieve its key short-term priorities and long-term strategies; the timely development and launch of new products and services; the ability of the Bank to recruit and retain key personnel; technological innovation, including open banking and the use of artificial intelligence; heightened competition from established companies and from competitors offering non-traditional services; model risk; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory issues or litigation; changes made to the accounting policies used by the Bank to report its financial position, including the uncertainty related to assumptions and significant accounting estimates; changes to tax legislation in the countries where the Bank operates; changes to capital and liquidity guidelines as well as to the instructions related to the presentation and interpretation thereof; changes to the credit ratings assigned to the Bank by financial and extra-financial rating agencies; potential disruptions to key suppliers of goods and services to the Bank; third-party risk, including failure by third parties to fulfil their obligations to the Bank; the potential impacts of disruptions to the Bank's information technology systems due to cyberattacks and theft or disclosure of data, including personal information and identity theft; the risk of fraudulent activity; and possible impacts of major events on the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events; and the ability of the Bank to anticipate and successfully manage risks arising from all of the foregoing factors.

The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk, and social and environmental risk as well as certain emerging risks or risks deemed significant. Additional information about these factors is provided in the Risk Management section of the *2024 Annual Report* as well as in the Risk Management section of this Report to Shareholders for the third quarter of 2025 and may be updated in the quarterly reports to shareholders filed thereafter.

Acquisition

Canadian Western Bank (CWB) Acquisition

On February 3, 2025, the Bank completed the acquisition of CWB, a diversified financial services institution based in Edmonton, Alberta, in which the Bank had already been holding a 5.9% equity interest. This transaction will enable the Bank to accelerate its growth across Canada. The business combination brings together two complementary Canadian banks with growing businesses, thereby enhancing customer service by offering a full range of products and services nationwide, with a regionally focused service model.

The total consideration transferred of \$6.8 billion included \$5.3 billion for 100% of the common shares of CWB acquired by way of a share exchange at an exchange ratio of 0.450 of a common share of the National Bank for each CWB common share, other than those held by the National Bank, \$1.4 billion for the settlement of pre-existing relationships and \$0.1 billion for the issuance of replacement share-based payment awards. The fair value of the Bank's common shares issued was determined on the basis of the share price on the Toronto Stock Exchange (TSX) at closing on January 31, 2025 at a price of \$128.99 per share. At acquisition date, the Bank obtained a 100% interest in the CWB voting shares and the 5.9% previously held interest was remeasured to its fair value of \$0.3 billion. The non-controlling interest in CWB recognized at acquisition date was measured at a fair value of \$0.6 billion and represented CWB's preferred shares and Limited Recourse Capital Notes (LRCN) outstanding on that date. Total purchase consideration amounted to \$7.7 billion.

Based on the estimated fair values, the preliminary purchase price allocation, including goodwill, assigns \$45.4 billion to assets and \$37.7 billion to liabilities at acquisition date. The estimated goodwill of \$1.6 billion reflects the expected expense synergies from our Personal and Commercial and Wealth Management banking services operations, expected funding synergies, and the expected growth from the product and service platform at a national scale. Goodwill is not deductible for tax purposes.

For additional information, see Note 19 to the Consolidated Financial Statements.

The following table present the impacts of the CWB acquisition on the results of Personal and Commercial, the main segment impacted, and the Bank's consolidated results.

(millions of Canadian dollars)				Quarter ended July 31, 2025						Nine months ended July 31, 2025			
	Results Personal and Commercial			Consolidated results			Results Personal and Commercial			Consolidated results			
	Excluding CWB	CWB impact ⁽¹⁾	Total	Excluding CWB	CWB impact ⁽¹⁾	Total	Excluding CWB	CWB impact ⁽¹⁾	Total	Excluding CWB	CWB impact ⁽¹⁾	Total	
Operating results													
Net interest income	967	213	1,180	934	238	1,172	2,832	438	3,270	2,860	489	3,349	
Non-interest income	254	15	269	2,231	46	2,277	769	30	799	6,840	93	6,933	
Total revenues	1,221	228	1,449	3,165	284	3,449	3,601	468	4,069	9,700	582	10,282	
Non-interest expenses	669	136	805	1,747	178	1,925	1,961	289	2,250	5,112	401	5,513	
Income before provisions for credit losses and income taxes	552	92	644	1,418	106	1,524	1,640	179	1,819	4,588	181	4,769	
Provisions for credit losses	121	13	134	190	13	203	435	287	722	715	287	1,002	
Income before income taxes (recovery)	431	79	510	1,228	93	1,321	1,205	(108)	1,097	3,873	(106)	3,767	
Income taxes (recovery)	119	21	140	231	25	256	332	(27)	305	836	(27)	809	
Net income	312	58	370	997	68	1,065	873	(81)	792	3,037	(79)	2,958	
Operating results - Adjusted ⁽²⁾													
Net interest income – Adjusted	967	213	1,180	934	238	1,172	2,832	438	3,270	2,888	489	3,377	
Non-interest income – Adjusted	254	15	269	2,231	46	2,277	769	30	799	6,859	93	6,952	
Total revenues – Adjusted	1,221	228	1,449	3,165	284	3,449	3,601	468	4,069	9,747	582	10,329	
Non-interest expenses – Adjusted	669	113	782	1,664	142	1,806	1,961	242	2,203	4,929	297	5,226	
Income before provisions for credit losses and income taxes – Adjusted	552	115	667	1,501	142	1,643	1,640	226	1,866	4,818	285	5,103	
Provisions for credit losses – Adjusted	121	13	134	190	13	203	435	57	492	715	57	772	
Income before income taxes (recovery) – Adjusted	431	102	533	1,311	129	1,440	1,205	169	1,374	4,103	228	4,331	
Income taxes (recovery) – Adjusted	119	28	147	301	35	336	332	50	382	947	64	1,011	
Net income – Adjusted	312	74	386	1,010	94	1,104	873	119	992	3,156	164	3,320	

(1) Refers to the impact of the CWB transaction on the results.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

Economic Review and Outlook

Global Economy

While the United States is still negotiating trade agreements with many countries, those that are already concluded (with Japan, Vietnam, Indonesia, the United Kingdom and the European Union) unfortunately suggest that any return to the *status quo* in international trade is not in the cards. Even those countries that have managed to reach agreements with Washington have not been able to completely eliminate the tariffs imposed on them. For all the countries concerned, higher trade barriers will lead to slower growth, all other things being equal, but we do not believe that this will be the eventual result. We think that most governments around the world will respond to any signs of weaker growth by loosening the purse strings, since this has been the reflex ever since the beginning of the pandemic. While fiscal stimulus measures may well complicate public finances by pushing up long-term yields and, by extension, the cost of servicing debt, they could nevertheless offset some of the negative impact of tariffs and keep global growth resilient.

In the U.S., the economic data have been rather disappointing. More specifically, consumption has been relatively weak since the beginning of the year. This slowdown can be attributed in part to a weakening labour market, but it also reflects the delayed effect of interest rate hikes. It should be remembered that following the pandemic, households not only relied on generous government support to increase spending, they also took advantage of extremely low borrowing costs to take on more debt. This frenzy is now coming back to haunt some consumers, particularly in areas where rate changes are passed on more quickly to debt holders, such as in advances on credit cards. And we do not expect this situation to improve significantly in the coming months, as rates are likely to remain high for the foreseeable future while inflation remains stubbornly too high. In the meanwhile, this should translate into below-potential growth. However, the situation could turn around fairly quickly in 2026, when the effects of the One Big Beautiful Bill (OB BB) will begin to be felt. According to the Wharton Business School at the University of Pennsylvania, the tax cuts and spending increases in this legislation will inject no less than \$3.2 trillion into the U.S. economy over the next decade, with a significant portion of this amount coming in the first three years. Although certain factors could dampen the impact of the OB BB on the economy, the law is still expected to stimulate significant growth in 2026 (impact of 0.5%⁽¹⁾ on annual growth). This would translate into 1.4%⁽¹⁾ growth in both 2025 and 2026.

Canadian Economy

As negotiations on a trade agreement between Canada and the United States have stalled, the U.S. government raised the tariffs on Canadian imports from 25% to 35% in August (except for energy and potash, which remain at 10%). At first glance, it might seem that the U.S. is imposing on Canada one of the highest tariff rates in the world. But this is not the case, as the rate only applies to goods that do not comply with the United States-Mexico-Canada Agreement (USMCA). Compliance has quickly improved since these tariffs were introduced, so the effective tariff rate on exports to the United States has fallen significantly. It stands at around 5% according to our calculations, with most of the exposure tied to sectoral duties, especially those on metal products and automobiles. Nevertheless, tariff uncertainty has been hobbling the economy back since the beginning of the year. The unemployment rate has risen by three-tenths of a percentage point (from 6.6% to 6.9%) since February, while the economy is on track to have contracted in the second quarter. This weakness also appears to be continuing into the third quarter. Problems are apparent in the manufacturing sector, where activity contracted significantly in July, as reflected in the S&P Global Purchasing Managers' Index (PMI). Weakness in this sector alone should not give too much cause for concern, as it now accounts for only 10% of GDP and the labour market. Unfortunately, this does not appear to be the case. Canada's Services PMI is also in contraction and stands among the weakest of the countries covered. Household spending has held up so far, but it could come under pressure. Hiring intentions are weak, and the uncertainty could prompt households to cut back on spending. In addition, despite interest rate cuts by the Bank of Canada, borrowers who need to renew their loans will see their mortgage payments increase by an average of 10% in 2025. Developments in the housing market also suggest that interest rates are probably still too high. These weaknesses are particularly apparent in the urban centers of Ontario and British Columbia. Although uncertainty over tariffs weakened the Canadian economy in the first half of the year, unfortunately this has not yet eased inflationary pressures, preventing the Bank of Canada from lowering its key interest rate further. Nevertheless, we continue to believe that further monetary easing will be necessary by the end of the year. With the labour market deteriorating, wages are showing signs of moderating, and this bodes well for inflation in the coming months. We are maintaining our economic growth forecasts at 1.3%⁽¹⁾ for 2025 and 1.1%⁽¹⁾ for 2026. The unemployment rate is expected to average 7.0%⁽¹⁾ in 2025 and 7.1%⁽¹⁾ in 2026.

Quebec Economy

Given the current uncertainty around tariffs, Quebec's economy is on track to have experienced a more pronounced contraction in the second quarter than the rest of the country. It is vulnerable to Uncle Sam's tariff salvos, partly because the province has a larger manufacturing sector (12.3% of GDP compared to 9.1% nationally), but also because it has a higher tariff rate than the country as a whole (7.6% compared to 4.9%). However, we continue to believe that the Quebec economy is well positioned to weather the challenges it currently faces. First, it is less vulnerable to sectoral shocks. Quebec is the fourth most diversified economy in North America, after Manitoba, Pennsylvania and Texas. In terms of exports, Quebec is the most diversified province. In addition, Quebec consumers have been less affected by the fight against inflation since 2022 and the resulting restrictive monetary policy, as they are less indebted due to more affordable housing prices. In fact, despite the current uncertainty, Quebec's real estate market is proving to be more resilient, particularly, when compared with Ontario and British Columbia. Quebec households have a higher savings rate than the rest of the country, which could enable them to better withstand headwinds. And the labour market is holding up well. The unemployment rate has risen slightly from its low in February (5.3%), but at 5.5%, it is still well below the national average (6.9%) and the third lowest among Canada's provinces. Our growth forecasts for Quebec are 1.1%⁽¹⁾ in 2025 and 0.9%⁽¹⁾ in 2026. With a population that is growing more slowly than in the rest of the country, Quebec is expected to continue to have one of the lowest unemployment rates in Canada, averaging 5.9%⁽¹⁾ in 2025 and 6.0%⁽¹⁾ in 2026 (compared to 7.1%⁽¹⁾ for Canada).

(1) Growth forecasts for real GDP or unemployment rate, National Bank Financial's Economics and Strategy group

Financial Reporting Method

The Bank's Consolidated Financial Statements are prepared in accordance with IFRS, as issued by the IASB and represent Canadian GAAP.

Effective November 1, 2024, the Bank discontinued taxable equivalent basis (TEB) reporting for revenues and income taxes. Using the TEB method is less relevant since the introduction of the Pillar 2 rules (global minimum tax) during the first quarter of 2025 and Bill C-59 in relation to the taxation of certain Canadian dividends during fiscal 2024. This change has no impact on net income previously disclosed. Data for the 2024 periods were adjusted to reflect this change.

On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and nine-month period ended July 31, 2025 in the Personal and Commercial, Wealth Management, and Financial Markets segments and in the *Other* heading of segment disclosures. For additional information on the impact of the CWB acquisition on the Bank's results, see the Acquisition section.

Non-GAAP and Other Financial Measures

The Bank uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP. *Regulation 52-112 Respecting Non-GAAP and Other Financial Measures Disclosure* (Regulation 52-112) prescribes disclosure requirements that apply to the following measures used by the Bank:

- non-GAAP financial measures;
- non-GAAP ratios;
- supplementary financial measures;
- capital management measures.

Non-GAAP Financial Measures

The Bank uses non-GAAP financial measures that do not have standardized meanings under GAAP and that therefore may not be comparable to similar measures used by other companies. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to better assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations.

The key non-GAAP financial measures used by the Bank to analyze its results are described below, and a quantitative reconciliation of these measures is presented in the tables in the Reconciliation of Non-GAAP Financial Measures section on pages 10 to 12 and in the Consolidated Results table on page 14. It should be noted that, for the quarter and the nine-month period ended July 31, 2025, as part of the CWB transaction, several acquisition-related items have been excluded from results since, in the opinion of management, they do not reflect the underlying performance of the Bank's operations, in particular, acquisition and integration charges, amortization of intangible assets related to the CWB acquisition and the income tax recovery related to a change in tax treatment. In addition, for the nine-month period ended July 31, 2025, the amortization of subscription receipt issuance costs, the gain resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, the loss resulting from the impact of managing fair value changes and the initial provisions for credit losses on non-impaired loans acquired from CWB were excluded from the results. For the quarter and nine-month period ended July 31, 2024, several acquisition-related items had been excluded from results (in particular, the amortization of the subscription receipt issuance costs, the gain resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, the loss resulting from the impact of managing fair value changes and acquisition and integration charges).

Adjusted Net Interest Income

This item represents net interest income excluding specified items. Specified items are excluded so that net interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Non-Interest Income

This item represents non-interest income excluding specified items. Specified items are excluded so that non-interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Total Revenues

This item represents total revenues excluding specified items. It consists of adjusted net interest income and adjusted non-interest income. Specified items are excluded so that total revenues can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Non-Interest Expenses

This item represents non-interest expenses excluding specified items. Specified items are excluded so that non-interest expenses can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Income Before Provisions for Credit Losses and Income Taxes

This item represents income before provisions for credit losses and income taxes excluding specified items. It also represents the difference between adjusted total revenues and adjusted non-interest expenses. Specified items are excluded so that income before provisions for credit losses and income taxes can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Provisions for Credit Losses

This item represents provisions for credit losses excluding specified items. Specified items are excluded so that provisions for credit losses can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Income Taxes (Recovery)

This item represents income taxes excluding income taxes (recovery) on specified items.

Adjusted Net Income

This item represents net income excluding specified items. Specified items are excluded so that net income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Net Income Attributable to Common Shareholders

This item represents net income attributable to common shareholders excluding specified items. Specified items are excluded so that net income attributable to common shareholders can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Basic Earnings Per Share

This item represents basic earnings per share excluding specified items. Specified items are excluded so that basic earnings per share can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Diluted Earnings Per Share

This item represents diluted earnings per share excluding specified items. Specified items are excluded so that diluted earnings per share can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

The Bank also uses the below-described measures to assess its results, and a quantitative reconciliation of these non-GAAP financial measures is presented on page 7 of the document entitled *Supplementary Financial Information – Third Quarter 2025* available on the Bank's website at nbc.ca.

Adjusted Non-Trading Net Interest Income

This item represents non-trading net interest income excluding specified items. It includes revenues related to financial assets and financial liabilities associated with non-trading activities, net of interest expenses and interest income related to the financing of these financial assets and financial liabilities, and is used to calculate adjusted non-trading net interest margin. Specified items are excluded so that adjusted non-trading net interest income can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Net Interest Income Related to Trading Activities

This item represents net interest income related to trading activities which comprises dividends related to financial assets and liabilities associated with trading activities and certain interest income related to the financing of these financial assets and liabilities, net of interest expenses.

Non-Interest Income Related to Trading Activities

This item represents non-interest income related to trading activities which consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short, certain commission income as well as other trading activity revenues, and any applicable transaction costs.

Trading Activity Revenues

This item represents trading activity revenues which comprise dividends related to financial assets and financial liabilities associated with trading activities; certain interest income related to the financing of these financial assets and liabilities, net of interest expenses; realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss; income from held-for-trading derivative financial instruments; changes in the fair value of loans at fair value through profit or loss; changes in the fair value of financial instruments designated at fair value through profit or loss; realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short; certain commission income as well as other trading activity revenues, and any applicable transaction costs.

Non-GAAP Ratios

The Bank uses non-GAAP ratios that do not have standardized meanings under GAAP and that may therefore not be comparable to similar measures used by other companies. A non-GAAP ratio is a ratio in which at least one component is a non-GAAP financial measure. The Bank uses non-GAAP ratios to present aspects of its financial performance or financial position.

The key non-GAAP ratios used by the Bank are described below.

Adjusted Return on Average Assets (ROA)

This item represents ROA excluding specified items. It is adjusted net income expressed as a percentage of average assets. This ratio is used to measure the Bank's efficiency in using all its assets to generate profits. Specified items are excluded so that ROA can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Return on Common Shareholders' Equity (ROE)

This item represents ROE excluding specified items. It is adjusted net income attributable to common shareholders expressed as a percentage of average equity attributable to common shareholders. It is a general measure of the Bank's efficiency in using equity. Specified items are excluded so that ROE can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Dividend Payout Ratio

This item represents the dividend payout ratio excluding specified items. It is dividends on common shares (per share amount) expressed as a percentage of adjusted basic earnings per share. This ratio is a measure of the proportion of earnings that is paid out to shareholders in the form of dividends. Specified items are excluded so that the dividend payout ratio can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Operating Leverage

This item represents operating leverage excluding specified items. It is the difference between the growth rate of adjusted total revenues and the growth rate of adjusted non-interest expenses, and it measures the sensitivity of the Bank's results to changes in its revenues. Specified items are excluded so that the operating leverage can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Efficiency Ratio

This item represents the efficiency ratio excluding specified items. The ratio represents adjusted non-interest expenses expressed as a percentage of adjusted total revenues. It measures the efficiency of the Bank's operations. Specified items are excluded so that the efficiency ratio can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Adjusted Net Interest Margin, Non-Trading

This item represents the non-trading net interest margin excluding specified items. It is calculated by dividing adjusted non-trading net interest income by average non-trading interest-bearing assets. This ratio is a measure of the profitability of non-trading activities. Specified items are excluded so that the net interest margin, non-trading can be better evaluated by excluding items that management believes do not reflect the underlying financial performance of the Bank's operations.

Supplementary Financial Measures

A supplementary financial measure is a financial measure that: (a) is not reported in the Bank's Consolidated Financial Statements, and (b) is, or is intended to be, reported periodically to represent historical or expected financial performance, financial position, or cash flows. The composition of these supplementary financial measures is presented in table footnotes or in the Glossary section on pages 53 to 56 of this MD&A.

Capital Management Measures

The financial reporting framework used to prepare the financial statements requires disclosure that helps readers assess the Bank's capital management objectives, policies, and processes, as set out in IFRS in IAS 1 – *Presentation of Financial Statements*. The Bank has its own methods for managing capital and liquidity, and IFRS do not prescribe any particular calculation method. These measures are calculated using various guidelines and advisories issued by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), which are based on the standards, recommendations, and best practices of the Basel Committee on Banking Supervision (BCBS), as presented in the following table.

OSFI guideline or advisory	Measure
Capital Adequacy Requirements	Common Equity Tier 1 (CET1) capital ratio Tier 1 capital ratio Total capital ratio CET1 capital Tier 1 capital Tier 2 capital Total capital Risk-weighted assets Maximum credit risk exposure under the Basel asset classes
Leverage Requirements	Leverage ratio Total exposure
Total Loss Absorbing Capacity (TLAC)	Key indicators – TLAC requirements Available TLAC TLAC ratio TLAC leverage ratio
Liquidity Adequacy Requirements	Liquid asset portfolio Encumbered assets and unencumbered assets Liquidity coverage ratio (LCR) High-quality liquid assets (HQLA) Cash inflows/outflows and net cash outflows Net stable funding ratio (NSFR) Available stable funding items Required stable funding items
Global Systemically Important Banks (G-SIBs) – Public Disclosure Requirements	G-SIB indicators

Reconciliation of Non-GAAP Financial Measures

Presentation of Results – Adjusted

(millions of Canadian dollars)

							Quarter ended July 31	
							2025 ⁽¹⁾	2024 ⁽²⁾
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total	
Operating results								
Net interest income	1,180	235	(598)	369	(14)	1,172	769	
Non-interest income	269	576	1,375	33	24	2,277	2,227	
Total revenues	1,449	811	777	402	10	3,449	2,996	
Non-interest expenses	805	477	347	135	161	1,925	1,541	
Income before provisions for credit losses and income taxes	644	334	430	267	(151)	1,524	1,455	
Provisions for credit losses	134	1	24	42	2	203	149	
Income before income taxes (recovery)	510	333	406	225	(153)	1,321	1,306	
Income taxes (recovery)	140	89	72	47	(92)	256	273	
Net income	370	244	334	178	(61)	1,065	1,033	
Items that have an impact on results								
Net interest income								
Amortization of the subscription receipt issuance costs ⁽³⁾	–	–	–	–	–	–	(5)	
Impact on net interest income	–	–	–	–	–	–	(5)	
Non-interest income								
Gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	–	–	120	
Management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	–	–	(7)	
Impact on non-interest income	–	–	–	–	–	–	113	
Non-interest expenses								
CWB acquisition and integration charges ⁽⁶⁾	–	–	–	–	94	94	7	
Amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	23	2	–	–	–	25	–	
Impact on non-interest expenses	23	2	–	–	94	119	7	
Income taxes								
Income taxes on the amortization of the subscription receipt issuance costs ⁽³⁾	–	–	–	–	–	–	(2)	
Income taxes on the gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	–	–	34	
Income taxes on management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	–	–	(2)	
Income taxes on the CWB acquisition and integration charges ⁽⁶⁾	–	–	–	–	(26)	(26)	(2)	
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	(7)	–	–	–	–	(7)	–	
Income tax recovery related to a change in tax treatment ⁽⁸⁾	–	–	–	–	(47)	(47)	–	
Impact on income taxes	(7)	–	–	–	(73)	(80)	28	
Impact on net income	(16)	(2)	–	–	(21)	(39)	73	
Operating results – Adjusted								
Net interest income – Adjusted	1,180	235	(598)	369	(14)	1,172	774	
Non-interest income – Adjusted	269	576	1,375	33	24	2,277	2,114	
Total revenues – Adjusted	1,449	811	777	402	10	3,449	2,888	
Non-interest expenses – Adjusted	782	475	347	135	67	1,806	1,534	
Income before provisions for credit losses and income taxes – Adjusted	667	336	430	267	(57)	1,643	1,354	
Provisions for credit losses – Adjusted	134	1	24	42	2	203	149	
Income before income taxes (recovery) – Adjusted	533	335	406	225	(59)	1,440	1,205	
Income taxes (recovery) – Adjusted	147	89	72	47	(19)	336	245	
Net income – Adjusted	386	246	334	178	(40)	1,104	960	

- (1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.
- (2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
- (3) During the quarter ended July 31, 2024, the Bank recorded an amount of \$5 million (\$3 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (for additional information, see Notes 8 and 10 to the Consolidated Financial Statements).
- (4) During the quarter ended July 31, 2024, the Bank recorded a gain of \$120 million (\$86 million net of income taxes) upon the remeasurement at fair value of the interest already held in CWB.
- (5) During the quarter ended July 31, 2024, the Bank recorded a mark-to-market loss of \$7 million (\$5 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that result in volatility of goodwill and capital on closing of the transaction.
- (6) During the quarter ended July 31, 2025, the Bank recorded acquisition and integration charges of \$94 million (\$68 million net of income taxes) (2024: \$7 million, \$5 million net of income taxes) related to the CWB transaction.
- (7) During the quarter ended July 31, 2025, the Bank recorded an amount of \$25 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.
- (8) During the quarter ended July 31, 2025, income tax recovery of \$47 million was recorded due to a change in tax treatment related to unrealized gains recognized in fiscal 2024 and in the first quarter of 2025 from the remeasurement at fair value of the interest already held by the Bank in CWB.

(millions of Canadian dollars)

Nine months ended July 31

						2025 ⁽¹⁾	2024 ⁽²⁾
	Personal and Commercial	Wealth Management	Financial Markets	USF&I	Other	Total	Total
Operating results							
Net interest income	3,270	692	(1,612)	1,095	(96)	3,349	2,155
Non-interest income	799	1,686	4,397	102	(51)	6,933	6,301
Total revenues	4,069	2,378	2,785	1,197	(147)	10,282	8,456
Non-interest expenses	2,250	1,394	1,117	375	377	5,513	4,462
Income before provisions for credit losses and income taxes	1,819	984	1,668	822	(524)	4,769	3,994
Provisions for credit losses	722	2	124	152	2	1,002	407
Income before income taxes (recovery)	1,097	982	1,544	670	(526)	3,767	3,587
Income taxes (recovery)	305	264	292	140	(192)	809	726
Net income	792	718	1,252	530	(334)	2,958	2,861
Items that have an impact on results							
Net interest income							
Amortization of the subscription receipt issuance costs ⁽³⁾	–	–	–	–	(28)	(28)	(5)
Impact on net interest income	–	–	–	–	(28)	(28)	(5)
Non-interest income							
Gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	4	4	120
Management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	(23)	(23)	(7)
Impact on non-interest income	–	–	–	–	(19)	(19)	113
Non-interest expenses							
CWB acquisition and integration charges ⁽⁶⁾	1	3	–	–	234	238	7
Amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	46	3	–	–	–	49	–
Impact on non-interest expenses	47	6	–	–	234	287	7
Provisions for credit losses							
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁸⁾	230	–	–	–	–	230	–
Impact on provisions for credit losses	230	–	–	–	–	230	–
Income taxes							
Income taxes on the amortization of the subscription receipt issuance costs ⁽³⁾	–	–	–	–	(8)	(8)	(2)
Income taxes on the gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	1	1	34
Income taxes on management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	(6)	(6)	(2)
Income taxes on the CWB acquisition and integration charges ⁽⁶⁾	–	(1)	–	–	(64)	(65)	(2)
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	(13)	–	–	–	–	(13)	–
Income taxes on initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁸⁾	(64)	–	–	–	–	(64)	–
Income tax recovery related to a change in tax treatment ⁽⁹⁾	–	–	–	–	(47)	(47)	–
Impact on income taxes	(77)	(1)	–	–	(124)	(202)	28
Impact on net income	(200)	(5)	–	–	(157)	(362)	73
Operating results – Adjusted							
Net interest income – Adjusted	3,270	692	(1,612)	1,095	(68)	3,377	2,160
Non-interest income – Adjusted	799	1,686	4,397	102	(32)	6,952	6,188
Total revenues – Adjusted	4,069	2,378	2,785	1,197	(100)	10,329	8,348
Non-interest expenses – Adjusted	2,203	1,388	1,117	375	143	5,226	4,455
Income before provisions for credit losses and income taxes – Adjusted	1,866	990	1,668	822	(243)	5,103	3,893
Provisions for credit losses – Adjusted	492	2	124	152	2	772	407
Income before income taxes (recovery) – Adjusted	1,374	988	1,544	670	(245)	4,331	3,486
Income taxes (recovery) – Adjusted	382	265	292	140	(68)	1,011	698
Net income – Adjusted	992	723	1,252	530	(177)	3,320	2,788

- (1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.
- (2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
- (3) During the nine-month period ended July 31, 2025, the Bank recorded an amount of \$28 million (\$20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (2024: \$5 million, \$3 million net of income taxes). For additional information, see Notes 8 and 10 to the Consolidated Financial Statements.
- (4) During the nine-month period ended July 31, 2025, the Bank recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB (2024: \$120 million, \$86 million net of income taxes).
- (5) During the nine-month period ended July 31, 2025, the Bank recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction (2024: \$7 million, \$5 million net of income taxes).
- (6) During the nine-month period ended July 31, 2025, the Bank recorded acquisition and integration charges of \$238 million (\$173 million net of income taxes) related to the CWB transaction (2024: \$7 million, \$5 million net of income taxes).
- (7) During the nine-month period ended July 31, 2025, the Bank recorded an amount of \$49 million (\$36 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.

- (8) During the nine-month period ended July 31, 2025, the Bank recorded initial provisions for credit losses on non-impaired loans acquired from CWB of \$230 million (\$166 million net of income taxes).
- (9) During the nine-month period ended July 31, 2025, income tax recovery of \$47 million was recorded due to a change in tax treatment related to unrealized gains recognized in fiscal 2024 and in the first quarter of 2025 from the remeasurement at fair value of the interest already held by the Bank in CWB.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024	% Change	2025 ⁽¹⁾	2024	% Change
Basic earnings per share	\$ 2.61	\$ 2.92	(11)	\$ 7.58	\$ 8.09	(6)
Amortization of the subscription receipt issuance costs ⁽²⁾	–	0.01		0.05	0.01	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	–	(0.25)		(0.01)	(0.25)	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	0.01		0.05	0.01	
CWB acquisition and integration charges ⁽⁵⁾	0.17	0.02		0.46	0.02	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.05	–		0.10	–	
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁷⁾	–	–		0.44	–	
Income tax recovery related to a change in tax treatment ⁽⁸⁾	(0.12)	–		(0.12)	–	
Basic earnings per share – Adjusted	\$ 2.71	\$ 2.71	–	\$ 8.55	\$ 7.88	9
Diluted earnings per share	\$ 2.58	\$ 2.89	(11)	\$ 7.50	\$ 8.03	(7)
Amortization of the subscription receipt issuance costs ⁽²⁾	–	0.01		0.05	0.01	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	–	(0.25)		(0.01)	(0.25)	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	–	0.01		0.05	0.01	
CWB acquisition and integration charges ⁽⁵⁾	0.17	0.02		0.46	0.02	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.05	–		0.10	–	
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁷⁾	–	–		0.44	–	
Income tax recovery related to a change in tax treatment ⁽⁸⁾	(0.12)	–		(0.13)	–	
Diluted earnings per share – Adjusted	\$ 2.68	\$ 2.68	–	\$ 8.46	\$ 7.82	8

- (1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.
- (2) During the nine-month period ended July 31, 2025, the Bank recorded an amount of \$28 million (\$20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (for additional information, see Notes 8 and 10 to the Consolidated Financial Statements). For the quarter and the nine-month period ended July 31, 2024, this amount was \$5 million (\$3 million net of income taxes).
- (3) During the nine-month period ended July 31, 2025, the Bank recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB. For the quarter and nine-month period ended July 31, 2024, the Bank recorded a gain of \$120 million (\$86 million net of income taxes).
- (4) During the nine-month period ended July 31, 2025, the Bank recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction. For the quarter and the nine-month period ended July 31, 2024, the loss totalled \$7 million (\$5 million net of income taxes).
- (5) During the quarter ended July 31, 2025, the Bank recorded acquisition and integration charges of \$94 million (\$68 million net of income taxes) related to the CWB transaction. For the nine-month period ended July 31, 2025, these charges are \$238 million (\$173 million net of income taxes) and for the quarter and the nine-month period ended July 31, 2024, these charges were \$7 million (\$5 million net of income taxes).
- (6) During the quarter ended July 31, 2025, the Bank recorded an amount of \$25 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition. For the nine-month period ended July 31, 2025, these charges are \$49 million (\$36 million net of income taxes).
- (7) During the nine-month period ended July 31, 2025, the Bank recorded initial provisions for credit losses on non-impaired loans acquired from CWB of \$230 million (\$166 million net of income taxes).
- (8) During the quarter and the nine-month period ended July 31, 2025, income tax recovery of \$47 million was recorded due to a change in tax treatment related to unrealized gains recognized in fiscal 2024 and in the first quarter of 2025 from the remeasurement at fair value of the interest already held by the Bank in CWB.

Highlights

(millions of Canadian dollars, except per share amounts)

	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024 ⁽²⁾	% Change	2025 ⁽¹⁾	2024 ⁽²⁾	% Change
Operating results						
Total revenues	3,449	2,996	15	10,282	8,456	22
Income before provisions for credit losses and income taxes	1,524	1,455	5	4,769	3,994	19
Net income	1,065	1,033	3	2,958	2,861	3
Return on common shareholders' equity ⁽³⁾	13.6 %	18.4 %		13.8 %	17.5 %	
Operating leverage ⁽³⁾	(9.8) %	10.5 %		(2.0) %	5.4 %	
Efficiency ratio ⁽³⁾	55.8 %	51.4 %		53.6 %	52.8 %	
Earnings per share						
Basic	\$ 2.61	\$ 2.92	(11)	\$ 7.58	\$ 8.09	(6)
Diluted	\$ 2.58	\$ 2.89	(11)	\$ 7.50	\$ 8.03	(7)
Operating results – Adjusted⁽⁴⁾						
Total revenues – Adjusted ⁽⁴⁾	3,449	2,888	19	10,329	8,348	24
Income before provisions for credit losses and income taxes – Adjusted ⁽⁴⁾	1,643	1,354	21	5,103	3,893	31
Net income – Adjusted ⁽⁴⁾	1,104	960	15	3,320	2,788	19
Return on common shareholders' equity – Adjusted ⁽⁵⁾	14.1 %	17.0 %		15.6 %	17.0 %	
Operating leverage – Adjusted ⁽⁵⁾	1.7 %	9.2 %		6.4 %	4.9 %	
Efficiency ratio – Adjusted ⁽⁵⁾	52.4 %	53.1 %		50.6 %	53.4 %	
Diluted earnings per share – Adjusted ⁽⁴⁾	\$ 2.68	\$ 2.68	–	\$ 8.46	\$ 7.82	8
Common share information						
Dividends declared	\$ 1.18	\$ 1.10	7	\$ 3.46	\$ 3.22	7
Book value ⁽³⁾	\$ 77.20	\$ 64.64		\$ 77.20	\$ 64.64	
Share price						
High	\$ 144.96	\$ 118.17		\$ 144.96	\$ 118.17	
Low	\$ 121.09	\$ 106.21		\$ 107.01	\$ 86.50	
Close	\$ 144.13	\$ 115.48		\$ 144.13	\$ 115.48	
Number of common shares (thousands)	391,967	340,523		391,967	340,523	
Market capitalization	56,494	39,324		56,494	39,324	

(millions of Canadian dollars)

	As at July 31, 2025 ⁽¹⁾	As at October 31, 2024	% Change
Balance sheet and off-balance-sheet			
Total assets	552,621	462,226	20
Loans, net of allowances	292,743	243,032	20
Deposits	402,286	333,545	21
Equity attributable to common shareholders	30,261	22,400	35
Assets under administration ⁽³⁾	817,718	766,082	7
Assets under management ⁽³⁾	183,182	155,900	17
Regulatory ratios under Basel III⁽⁶⁾			
Capital ratios			
Common Equity Tier 1 (CET1)	13.9 %	13.7 %	
Tier 1	15.6 %	15.9 %	
Total	17.8 %	17.0 %	
Leverage ratio	4.7 %	4.4 %	
TLAC ratio ⁽⁶⁾	30.0 %	31.2 %	
TLAC leverage ratio ⁽⁶⁾	9.0 %	8.6 %	
Liquidity coverage ratio (LCR) ⁽⁶⁾	161 %	150 %	
Net stable funding ratio (NSFR) ⁽⁶⁾	123 %	122 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	32,836	29,196	12
Number of branches in Canada	393	368	7
Number of banking machines in Canada	952	940	1

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.

(3) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(4) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(5) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

(6) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Financial Analysis

Consolidated Results

(millions of Canadian dollars)	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024 ⁽²⁾	% Change	2025 ⁽¹⁾	2024 ⁽²⁾	% Change
Operating results						
Net interest income	1,172	769	52	3,349	2,155	55
Non-interest income	2,277	2,227	2	6,933	6,301	10
Total revenues	3,449	2,996	15	10,282	8,456	22
Non-interest expenses	1,925	1,541	25	5,513	4,462	24
Income before provisions for credit losses and income taxes	1,524	1,455	5	4,769	3,994	19
Provisions for credit losses	203	149	36	1,002	407	
Income before income taxes	1,321	1,306	1	3,767	3,587	5
Income taxes	256	273	(6)	809	726	11
Net income	1,065	1,033	3	2,958	2,861	3
Diluted earnings per share (<i>dollars</i>)	2.58	2.89	(11)	7.50	8.03	(7)
Specified items⁽³⁾						
Amortization of the subscription receipt issuance costs	–	(5)		(28)	(5)	
Gain on the fair value remeasurement of an equity interest	–	120		4	120	
Management of the fair value changes related to the CWB acquisition	–	(7)		(23)	(7)	
CWB acquisition and integration charges	(94)	(7)		(238)	(7)	
Amortization of intangible assets related to the CWB acquisition	(25)	–		(49)	–	
Initial provisions for credit losses on non-impaired loans acquired from CWB	–	–		(230)	–	
Specified items before income taxes	(119)	101		(564)	101	
Income tax recovery related to a change in tax treatment	(47)	–		(47)	–	
Income taxes related to specified items	(33)	28		(155)	28	
Specified items after income taxes	(39)	73		(362)	73	
Operating results – Adjusted⁽³⁾						
Net interest income – Adjusted	1,172	774	51	3,377	2,160	56
Non-interest income – Adjusted	2,277	2,114	8	6,952	6,188	12
Total revenues – Adjusted	3,449	2,888	19	10,329	8,348	24
Non-interest expenses – Adjusted	1,806	1,534	18	5,226	4,455	17
Income before provisions for credit losses and income taxes – Adjusted	1,643	1,354	21	5,103	3,893	31
Provisions for credit losses – Adjusted	203	149	36	772	407	90
Income before income taxes – Adjusted	1,440	1,205	20	4,331	3,486	24
Income taxes – Adjusted	336	245	37	1,011	698	45
Net income – Adjusted	1,104	960	15	3,320	2,788	19
Diluted earnings per share – Adjusted (<i>dollars</i>)	2.68	2.68	–	8.46	7.82	8
Average assets ⁽⁴⁾	567,070	461,504	23	535,396	453,054	18
Average loans ⁽⁴⁾⁽⁵⁾	288,309	236,990	22	272,486	232,288	17
Average deposits ⁽⁴⁾	404,700	319,246	27	384,304	309,765	24
Operating leverage ⁽⁶⁾	(9.8) %	10.5 %		(2.0) %	5.4 %	
Operating leverage – Adjusted ⁽⁷⁾	1.7 %	9.2 %		6.4 %	4.9 %	
Efficiency ratio ⁽⁶⁾	55.8 %	51.4 %		53.6 %	52.8 %	
Efficiency ratio – Adjusted ⁽⁷⁾	52.4 %	53.1 %		50.6 %	53.4 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.

(3) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures.

(4) Represents an average of the daily balances for the period.

(5) Including customers' liability under acceptances for the quarter and the nine-month period ended July 31, 2024.

(6) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(7) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

Financial Results

For the third quarter of 2025, the Bank is reporting net income of \$1,065 million, up 3% from \$1,033 million in the third quarter of 2024. Diluted earnings per share stood at \$2.58 in the third quarter of 2025 compared to \$2.89 for the third quarter of 2024. Excluding specified items recorded in the third quarters of 2025 and 2024 related to the acquisition of CWB, adjusted net income stood at \$1,104 million, up 15% from \$960 million in the corresponding quarter of 2024. Adjusted diluted earnings per share stood at \$2.68, stable compared to the corresponding quarter of 2024.

For the nine-month period ended July 31, 2025, the Bank's net income totalled \$2,958 million, up 3% from \$2,861 million for the corresponding period in 2024. Diluted earnings per share stood at \$7.50 for the nine-month period ended July 31, 2025, versus \$8.03 for the corresponding period in 2024, the decrease being attributable to the common shares issued as part of the acquisition of CWB. Excluding specified items, adjusted net income for the nine-month period ended July 31, 2025 totalled \$3,320 million, up 19% from \$2,788 million for the nine-month period ended July 31, 2024, and adjusted diluted earnings per share stood at \$8.46, up 8% from \$7.82 for the nine-month period ended July 31, 2024, driven by good performance in all of the business segments.

Return on common shareholders' equity was 13.8% for the nine-month period ended July 31, 2025, compared to 17.5% in the corresponding period of 2024.

Total Revenues

For the third quarter of 2025, the Bank's total revenues amounted to \$3,449 million, up \$453 million or 15% compared to the corresponding quarter of 2024, of which the inclusion of CWB drove a 9% increase. In the Personal and Commercial segment, total revenues rose due to the inclusion of CWB revenues, growth in personal and commercial loans and deposits (including the transition from bankers' acceptances to loans referencing the Canadian Overnight Repo Rate Average (CORRA)), which more than offset the impact of a lower net interest margin, as well as to the increase in internal commission revenues related to the distribution of Wealth Management products. These increases were partly offset by lower credit fees related to the transition of bankers' acceptances to CORRA loans and revenues related to merger and acquisition activities. The growth in total revenues in the Wealth Management segment was mainly attributable to increases in fee-based revenues, notably revenues from investment management and trust service fees, as well as mutual fund revenues. This growth was also due to an increase in net interest income and securities brokerage commissions, which was driven by an increase in client activity. Total revenues for the Financial Markets segment for the third quarter of 2025 increased by 13% compared to the third quarter of 2024 as a result of higher corporate and investment banking revenues. In the USSF&I segment, total revenues were up 11% compared to the third quarter of 2024 as a result of revenue growth at the ABA Bank subsidiary, stemming from business growth, and dividend income recorded in the third quarter of 2025 on an investment in a financial group. Total revenues for the *Other* heading were lower in the third quarter of 2025 than in the corresponding quarter of 2024, due to a \$120 million gain recorded in the third quarter of 2024 in gains on non-trading securities as a result of the remeasurement at fair value of the interest in CWB already held by the Bank, partly offset by a higher contribution from Treasury activities and the inclusion of CWB's revenues.

For the nine-month period ended July 31, 2025, the Bank's total revenues amounted to \$10,282 million, compared to \$8,456 million in the corresponding period of 2024, an increase of \$1,826 million or 22%, of which the inclusion of CWB drove an increase of \$582 million or 7%. Total revenues for the Financial Markets segment were up \$768 million, or 38%, compared to the corresponding period in 2024, mainly due to significant growth in global markets revenues. In the Personal and Commercial segment, total revenues rose \$586 million or 17%, mainly driven by the inclusion of CWB which contributed \$468 million to the segment's total revenues. The remaining increase is explained by the increase in net interest income arising from growth in loans and deposits (including the transition of bankers' acceptances to CORRA loans), partly offset by a decrease in the net interest margin, as well as growth in internal commission revenues related to the distribution of Wealth Management products. These increases were partly offset by a decrease in revenues from bankers' acceptances and revenues related to merger and acquisition activities. The increase in total revenues in the Wealth Management segment was mainly due to increases from fee-based revenues, notably revenues from investment management and trust service fees, as well as mutual fund revenues as a result of growth in assets under administration and under management. The growth was also attributable to the rise in net interest income and securities brokerage commissions, which was driven by an increase in client activity. In the USSF&I segment, total revenues rose 15% compared to the nine-month period ended July 31, 2024, which was driven by revenue growth at the ABA Bank subsidiary stemming from business growth and revenue growth at Credigy. For the nine-month period ended July 31, 2025, total revenues in the *Other* heading were lower than in the corresponding period in 2024, mainly due to a \$120 million gain recorded in the third quarter of 2024 as a result of the remeasurement at fair value of the interest in CWB already held by the Bank and the unfavourable impact of specified items related to the acquisition of CWB recorded during the nine-month period ended July 31, 2025. These items were partly offset by a higher contribution from Treasury activities and the inclusion of CWB's revenues. Excluding specified items, adjusted total revenues amounted to \$10,329 million in the nine-month period ended July 31, 2025, up 24% from \$8,348 million recorded in the corresponding period of 2024.

Non-Interest Expenses

For the third quarter of 2025, non-interest expenses stood at \$1,925 million, up \$384 million or 25% from the corresponding quarter of 2024, of which \$178 million or 12% was attributable to the inclusion of CWB. Compensation and employee benefits were higher than in the third quarter of 2024 owing to salary growth as well as higher variable compensation related to revenue growth. Occupancy expenses, including depreciation expense, were up compared to the third quarter of 2024, due to the inclusion of CWB, expenses related to the Bank's new head office building and the expansion of the banking network at the ABA Bank subsidiary. The increase in technology expenses, including depreciation expense, is attributable to investments made to support the Bank's technological evolution and business development plan. Professional fees rose, notably due to expenses related to the acquisition and integration of CWB recorded during the third quarter of 2025. Communication expenses were also higher compared to the corresponding quarter of 2024. The increase in other expenses was mainly due to the amortization of intangible assets related to the CWB acquisition. Excluding specified items related to the CWB acquisition, adjusted non-interest expenses stood at \$1,806 million in the third quarter of 2025, up 18% from \$1,534 million in the corresponding quarter of 2024, of which 9% stems from the inclusion of CWB.

For the nine-month period ended July 31, 2025, non-interest expenses totalled \$5,513 million, up 24% compared to the corresponding period in 2024, partly due to the inclusion of CWB, which explained a 9% increase. The growth in non-interest expenses was essentially due to the same reasons provided above for the quarter. In addition, a \$22 million reversal of the provision for property taxes related to the Bank's new head office recorded during the second quarter of 2025 explains the change in occupancy expenses. Specified items recorded in non-interest expense stood at \$287 million for the nine-month period ended July 31, 2025 compared to \$7 million for the nine-month period ended July 31, 2024. Adjusted non-interest expenses were \$5,226 million for the nine-month period ended July 31, 2025, a 17% increase from \$4,455 million for the corresponding period in 2024, of which 7% stems from the inclusion of CWB.

Provisions for Credit Losses

For the third quarter of 2025, the Bank recorded provisions for credit losses of \$203 million compared to \$149 million in the corresponding quarter of 2024. Provisions for credit losses on non-impaired loans were up \$26 million compared to the third quarter of 2024, mainly due to loan portfolio growth, the effects of the migration of credit risk, which were less favourable in the third quarter of 2025, and the recalibration of certain risk parameters. These increases were partly offset by the impact related to updated macroeconomic scenarios, which was more favourable than in the corresponding quarter of 2024, and reduced uncertainties surrounding the imposition of tariffs. In addition, provisions for credit losses on impaired loans excluding Credigy's purchased or originated credit-impaired (POCI) loans⁽¹⁾ rose \$28 million compared to the third quarter of 2024. This increase was attributable to Personal Banking (including credit card receivables) and Commercial Banking (including CWB), partly offset by a decrease in the provisions for credit losses on impaired loans in the Financial Markets segment.

For the nine-month period ended July 31, 2025, the Bank's provisions for credit losses totalled \$1,002 million compared to \$407 million in the corresponding period in 2024. This significant increase stemmed in part from initial provisions for credit losses of \$230 million recorded on non-impaired loans acquired from CWB. In addition, the increase was due to higher provisions for credit losses on non-impaired loans, mainly due to the recalibration of certain risk parameters, uncertainties surrounding the imposition of new tariffs and the impact related to updated macroeconomic scenarios, which was less favourable than in the corresponding period in 2024. Provisions for credit losses on impaired loans excluding Credigy's POCI loans⁽¹⁾ increased due to Personal Banking (including credit card receivables) and Commercial Banking, the Financial Markets segment and the Credigy and ABA Bank subsidiaries. In addition, the Credigy subsidiary recorded provisions for credit losses on POCI loans of \$13 million during the nine-month period ended July 31, 2025 compared to \$8 million during the corresponding period of 2024, an increase explained by the remeasurement of certain portfolios.

Income Taxes

For the third quarter of 2025, income taxes stood at \$256 million compared to \$273 million in the corresponding quarter of 2024. The 2025 third-quarter effective income tax rate was 19% compared to 21% in the corresponding quarter of 2024. This was mainly due to the recognition of a one-time tax recovery related to a change in tax treatment, partly offset by the impact of applying the Pillar 2 rules (for additional information, see the Income Taxes section).

For the nine-month period ended July 31, 2025, the effective income tax rate stood at 21% compared to 20% in the corresponding nine-month period of 2024. The change in effective income tax rate was due to the same reasons as those mentioned for the quarter and a lower level of tax-exempt income for the nine-month period ended July 31, 2025.

(1) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

Results by Segment

The Bank carries out its activities in four business segments: Personal and Commercial, Wealth Management, Financial Markets, and U.S. Specialty Finance and International, which mainly comprises the activities of the Credigy Ltd. (Credigy) and Advanced Bank of Asia Limited (ABA Bank) subsidiaries. Other operating activities, certain specified items, Treasury activities, and the operations of the Flinks Technology Inc. (Flinks) subsidiary are grouped in the *Other* heading of segment disclosures. Each business segment is distinguished by services offered, type of clientele, and marketing strategy.

Personal and Commercial

(millions of Canadian dollars)

	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024	% Change	2025 ⁽¹⁾	2024	% Change
Operating results						
Net interest income	1,180	913	29	3,270	2,653	23
Non-interest income	269	285	(6)	799	830	(4)
Total revenues	1,449	1,198	21	4,069	3,483	17
Non-interest expenses	805	615	31	2,250	1,842	22
Income before provisions for credit losses and income taxes	644	583	10	1,819	1,641	11
Provisions for credit losses	134	79	70	722	239	
Income before income taxes	510	504	1	1,097	1,402	(22)
Income taxes	140	138	1	305	386	(21)
Net income	370	366	1	792	1,016	(22)
Less: Specified items after income taxes ⁽²⁾	(16)	–		(200)	–	
Net income – Adjusted⁽²⁾	386	366	5	992	1,016	(2)
Net interest margin ⁽³⁾	2.25 %	2.31 %		2.27 %	2.34 %	
Average interest-bearing assets ⁽³⁾	208,107	157,327	32	192,266	151,376	27
Average assets ⁽⁴⁾	211,499	160,666	32	195,193	157,483	24
Average loans ⁽⁴⁾⁽⁵⁾	207,887	159,142	31	191,648	155,849	23
Net impaired loans ⁽³⁾	1,326	465		1,326	465	
Net impaired loans as a % of total loans and acceptances ⁽³⁾	0.6 %	0.3 %		0.7 %	0.3 %	
Average deposits ⁽⁴⁾	109,093	91,906	19	102,689	89,936	14
Efficiency ratio ⁽³⁾	55.6 %	51.3 %		55.3 %	52.9 %	
Efficiency ratio – Adjusted ⁽⁶⁾	54.0 %	51.3 %		54.1 %	52.9 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter and nine-month period ended July 31, 2025, the Bank recorded several items related to the CWB acquisition, including amortization of intangible assets of \$16 million net of income taxes (\$33 million net of income taxes for the nine-month period ended July 31, 2025). In addition, for the nine-month period ended July 31, 2025, the Bank recorded acquisition and integration charges of \$1 million and initial provisions for credit losses of \$166 million net of income taxes recorded on non-impaired loans acquired from CWB.

(3) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(4) Represents an average of the daily balances for the period.

(5) Including customers' liability under acceptances for the quarter and nine-month period ended July 31, 2024.

(6) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

In the Personal and Commercial segment, net income totalled \$370 million in the third quarter of 2025, up 1% from \$366 million in the corresponding quarter of 2024. The increase in the segment's total revenues was partly offset by higher non-interest expenses (including specified items recorded in the third quarter of 2025) and provisions for credit losses. Adjusted net income was \$386 million, up 5% from the same quarter in 2024. The 29% increase in net interest income in the third quarter of 2025 was driven in part by the inclusion of CWB, which contributed to a 23% increase, as well as by growth in personal and commercial loans and deposits (including the transition of bankers' acceptances to loans at the CORRA rate), which more than offset the impact of a lower net interest margin. In addition, non-interest income decreased by 6% compared to the corresponding quarter in 2024.

Personal Banking's total revenues increased by \$50 million compared to the third quarter of 2024. This increase was driven by growth in loans and deposits, partly offset by a narrower margin on deposits, the increase in internal commission revenues related to the distribution of Wealth Management products and the inclusion of CWB's revenues. Commercial Banking's total revenues grew \$201 million compared to the corresponding quarter in 2024, mainly due to the inclusion of CWB's revenues and to an increase in net interest income that was driven by loan growth (including the transition of bankers' acceptances to loans at the CORRA rate) and deposit growth, partly offset by a reduction in the net interest margin. This increase was partly offset by a decline in revenues from bankers' acceptances related to the transition of bankers' acceptances to loans at the CORRA rate as well as revenues related to merger and acquisition activities.

For the third quarter of 2025, the segment's non-interest expenses stood at \$805 million, including specified items of \$23 million, up 31% compared to the corresponding quarter in 2024, due to the inclusion of CWB's non-interest expenses contributing to a 22% increase. The increase in non-interest expenses was also due to higher compensation and employee benefits, mainly from salary increases, fees and greater investments made as part of the segment's technological evolution, as well as an \$11 million lump-sum reimbursement recorded in the third quarter of 2024. The efficiency ratio of 55.6% in the third quarter of 2025 has deteriorated compared to the third quarter of 2024. Adjusted non-interest expenses amounted to \$782 million in the third quarter of 2025, compared to \$615 million in the third quarter of 2024. The adjusted efficiency ratio stood at 54.0% in the third quarter of 2025, compared to 51.3% in the third quarter of 2024.

The segment recorded provisions for credit losses of \$134 million in the third quarter of 2025 compared to \$79 million in the third quarter of 2024, up \$55 million. This increase is mainly explained by higher provisions for credit losses on impaired loans in Personal Banking (including credit card receivables) and in Commercial Banking. In addition, provisions for credit losses on non-impaired loans were up compared to the corresponding quarter of 2024.

For the nine-month period ended July 31, 2025, the Personal and Commercial segment's net income was \$792 million, down 22% from \$1,016 million in the corresponding period in 2024, mainly due to the increase in provisions for credit losses, notably the initial provisions for credit losses of \$230 million on the non-impaired loans acquired from CWB recorded in the second quarter of 2025. Adjusted net income was down 2% compared to \$1,016 million for the corresponding period in 2024, attributable to higher provisions for credit losses, which more than offset CWB's contribution. The increase in Personal Banking's total revenues was mainly due to growth in loans and deposits and an increase in the loan margin (partly offset by a narrower margin on deposits), as well as higher internal commission revenues arising from the distribution of the Wealth Management segment's products and the inclusion of CWB's revenues. In addition, the increase in Commercial Banking's total revenues was due to the inclusion of CWB's revenues and to growth in loans and deposits, partly offset by a narrower margin on loans and deposits. These increases were partly offset by a decline in credit fees related to the transition from bankers' acceptances to loans at the CORRA rate and a decrease in revenues related to merger and acquisition activities.

For the nine-month period ended July 31, 2025, non-interest expenses stood at \$2,250 million, a 22% increase compared to the corresponding period in 2024, due to the same reasons provided above for the quarter, notably the inclusion of CWB, which drove a 16% increase in non-interest expenses. The efficiency ratio of 55.3% has deteriorated compared to the nine-month period ended July 31, 2024. The segment's adjusted non-interest expenses increased by 20% compared to \$1,842 million for the nine-month period ended July 31, 2024. The adjusted efficiency ratio was 54.1% for the nine-month period ended July 31, 2025, compared to 52.9% for the corresponding period in 2024. For the nine-month period ended July 31, 2025, provisions for credit losses amounted to \$722 million, an increase of \$483 million compared to the corresponding period in 2024. This increase was due to initial provisions on credit losses of \$230 million on non-impaired loans acquired from CWB recorded in the second quarter of 2025 and higher provisions for credit losses on impaired loans in Personal Banking (including credit card receivables) as well as in Commercial Banking, attributable in particular to the portfolios acquired from CWB. In addition, provisions for credit losses on non-impaired loans increased.

Wealth Management

(millions of Canadian dollars)

	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024	% Change	2025 ⁽¹⁾	2024	% Change
Operating results						
Net interest income	235	219	7	692	620	12
Fee-based revenues	482	409	18	1,399	1,178	19
Transaction-based and other revenues	94	88	7	287	261	10
Total revenues	811	716	13	2,378	2,059	15
Non-interest expenses	477	416	15	1,394	1,206	16
Income before provisions for credit losses and income taxes	334	300	11	984	853	15
Provisions for credit losses	1	–		2	–	
Income before income taxes	333	300	11	982	853	15
Income taxes	89	83	7	264	235	12
Net income	244	217	12	718	618	16
Less: Specified items after income taxes ⁽²⁾	(2)	–		(5)	–	
Net income – Adjusted⁽²⁾	246	217	13	723	618	17
Average assets ⁽³⁾	11,140	9,479	18	10,836	9,050	20
Average loans ⁽³⁾⁽⁴⁾	9,957	8,440	18	9,667	8,041	20
Net impaired loans ⁽⁵⁾	36	7		36	7	
Average deposits ⁽³⁾	58,179	43,285	34	53,818	42,144	28
Assets under administration ⁽⁵⁾	817,718	746,295	10	817,718	746,295	10
Assets under management ⁽⁵⁾	183,182	150,239	22	183,182	150,239	22
Efficiency ratio ⁽⁵⁾	58.8 %	58.1 %		58.6 %	58.6 %	
Efficiency ratio – Adjusted ⁽⁶⁾	58.6 %	58.1 %		58.4 %	58.6 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter and nine-month period ended July 31, 2025, the Bank recorded several items related to the CWB acquisition, including amortization of intangible assets of \$2 million net of income taxes (\$3 million for the nine-month period ended July 31, 2025). In addition, for the nine-month period ended July 31, 2025, the Bank recorded acquisition and integration charges of \$2 million net of income taxes.

(3) Represents an average of the daily balances for the period.

(4) Including customers' liability under acceptances for the quarter and the nine-month period ended July 31, 2024.

(5) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(6) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP ratios.

In the Wealth Management segment, net income totalled \$244 million in the third quarter of 2025, a 12% increase from \$217 million in the corresponding quarter of 2024. The segment's total revenues amounted to \$811 million, up \$95 million or 13% from \$716 million in the third quarter of 2024. The 7% increase in net interest income compared to the corresponding quarter in 2024 was due to higher loan and deposit volumes as well as the favourable impact of the change in the composition of deposits. The 18% increase in fee-based revenues was due to the rise in stock markets compared to the corresponding quarter in 2024 and positive net inflows for the various solutions. Transaction and other revenues rose 7% compared to the third quarter of 2024 due to increased client activity. The inclusion of CWB's revenues also contributed to the increase in the segment's revenues.

Non-interest expenses stood at \$477 million in the third quarter of 2025, up 15% from \$416 million in the third quarter of 2024, partly due to the inclusion of CWB. This increase was also explained by higher compensation and employee benefits, due in particular to variable compensation in line with revenue growth and higher technology expenses related to the segment's initiatives. The deterioration of the efficiency ratio, which stood at 58.8% in the third quarter of 2025, was due to the inclusion of CWB's results. Adjusted non-interest expenses stood at \$475 million in the third quarter of 2025 compared to \$416 million in the third quarter of 2024. The adjusted efficiency ratio was 58.6% in the third quarter of 2025 compared to 58.1% in the corresponding quarter of 2024. Provisions for credit losses stood at \$1 million in the third quarter of 2025, whereas they were negligible in the third quarter of 2024.

In the Wealth Management segment, net income totalled \$718 million for the nine-month period ended July 31, 2025 compared to \$618 million for the corresponding period of 2024, for an increase of 16%. The segment's total revenues stood at \$2,378 million for the nine-month period ended July 31, 2025, an increase of 15% compared to \$2,059 million for the corresponding period in 2024. Net interest income increased by 12%, due to growth in loan and deposit volumes, the favourable impact of the change in the composition of deposits and the inclusion of CWB. Fee-based revenues increased by 19%, due to growth in assets under administration and under management as a result of stronger stock markets, positive net inflows for the various solutions and the inclusion of CWB's revenues. In addition, transaction and other income increased by 10% compared to the corresponding period in 2024 due to increased client activity. Non-interest expenses stood at \$1,394 million for the nine-month period ended July 31, 2025, compared to \$1,206 million for the corresponding period in 2024, an increase of 16%, due to the same reasons provided above for the quarter. The efficiency ratio for the nine-month period ended July 31, 2025 was 58.6% and stable compared to the corresponding period in 2024. Provisions for credit losses stood at \$2 million for the nine-month period ended July 31, 2025, whereas they were negligible in the corresponding period of 2024.

Financial Markets

(millions of Canadian dollars)

	Quarter ended July 31			Nine months ended July 31		
	2025 ⁽¹⁾	2024 ⁽²⁾	% Change	2025 ⁽¹⁾	2024 ⁽²⁾	% Change
Operating results						
Global markets						
Equities	165	199	(17)	1,074	499	115
Interest rate and credit	147	129	14	497	414	20
Commodities and foreign exchange	57	32	78	177	159	11
	369	360	3	1,748	1,072	63
Corporate and investment banking	408	329	24	1,037	945	10
Total revenues	777	689	13	2,785	2,017	38
Non-interest expenses	347	320	8	1,117	945	18
Income before provisions for credit losses and income taxes	430	369	17	1,668	1,072	56
Provisions for credit losses	24	22	9	124	50	
Income before income taxes	406	347	17	1,544	1,022	51
Income taxes	72	29		292	74	
Net income	334	318	5	1,252	948	32
Average assets ⁽³⁾	234,289	197,996	18	223,456	194,199	15
Average loans ⁽³⁾⁽⁴⁾ (Corporate Banking only)	30,909	32,229	(4)	31,166	31,933	(2)
Net impaired loans ⁽⁵⁾	74	54	37	74	54	37
Net impaired loans as a % of total loans and acceptances ⁽⁵⁾	0.2 %	0.2 %		0.2 %	0.2 %	
Average deposits ⁽³⁾	78,775	65,447	20	76,850	64,452	19
Efficiency ratio ⁽⁵⁾	44.7 %	46.4 %		40.1 %	46.9 %	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.

(3) Represents an average of the daily balances for the period.

(4) Including customers' liability under acceptances for the quarter and nine-month period ended July 31, 2024.

(5) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

In the Financial Markets segment, net income totalled \$334 million in the third quarter of 2025, up 5% from \$318 million in the corresponding quarter of 2024. The impact of including CWB in this segment's results for the quarter was not material. Total revenues amounted to \$777 million, compared to \$689 million in the third quarter of 2024, an increase of \$88 million or 13%. Global markets revenues were up 3% as a result of a 14% increase in interest rate and credit revenues and a 78% increase in commodities and foreign exchange revenues, partly offset by a 17% decrease in equities revenues. Corporate and investment banking revenues for the third quarter of 2025 increased 24% compared to the corresponding quarter in 2024 due to growth in banking service revenues, capital markets revenues and merger and acquisition revenues.

Non-interest expenses stood at \$347 million in the third quarter of 2025, an 8% increase compared to the third quarter of 2024, attributable to higher compensation and employee benefits, notably caused by variable compensation resulting from revenue growth, as well as the increase in technology investment expenses. The efficiency ratio was 44.7% in the third quarter of 2025, an improvement of 1.7 percentage points from 46.4% in the corresponding quarter of 2024. In the quarter ended July 31, 2025, provisions for credit losses were up \$2 million compared to the third quarter of 2024. Provisions for credit losses on non-impaired loans increased by \$23 million compared to the corresponding quarter in 2024, mainly as a result of loan portfolio growth. In addition, the segment recorded a recovery of credit losses on impaired loans of \$1 million in the third quarter of 2025 compared to provisions for credit losses of \$20 million in the corresponding quarter of 2024.

For the nine-month period ended July 31, 2025, the segment's net income totalled \$1,252 million, up 32% compared to the corresponding period in 2024. The impact of including CWB in this segment's results for the nine-month period ended July 31, 2025 was not material. Total revenues amounted to \$2,785 million for the nine-month period ended July 31, 2025, for strong growth of \$768 million or 38% compared to the corresponding period in 2024. Global markets revenues were up 63%, driven by increases in all types of revenues, mainly equities revenues. In addition, corporate and investment banking revenues were up 10% compared to the corresponding period in 2024, due to the same reasons provided above for the quarter.

For the nine-month period ended July 31, 2025, non-interest expenses rose 18% compared to the corresponding period in 2024, mainly due to higher variable compensation, technology investment expenses and other expenses related to the segment's business growth. The efficiency ratio for the nine-month period ended July 31, 2025 was 40.1%, an improvement of 6.8 percentage points from 46.9% recorded for the corresponding period in 2024. This improvement was driven by a significant increase in revenues. Financial Markets recorded provisions for credit losses of \$124 million in the nine-month period ended July 31, 2025, compared to \$50 million for the same period of 2024. This increase was mainly due to higher provisions for credit losses on impaired loans and, to a lesser extent, on non-impaired loans, as a result of loan portfolio growth.

U.S. Specialty Finance and International (USSF&I)

(millions of Canadian dollars)

	Quarter ended July 31			Nine months ended July 31		
	2025	2024	% Change	2025	2024	% Change
Total revenues						
Credigy	136	139	(2)	422	400	6
ABA Bank	259	223	16	757	626	21
International	7	(1)		18	11	
	402	361	11	1,197	1,037	15
Non-interest expenses						
Credigy	40	39	3	119	108	10
ABA Bank	89	76	17	249	214	16
International	6	–		7	1	
	135	115	17	375	323	16
Income before provisions for credit losses and income taxes	267	246	9	822	714	15
Provisions for credit losses						
Credigy	22	29	(24)	82	80	3
ABA Bank	20	17	18	70	39	79
International	–	–		–	–	
	42	46	(9)	152	119	28
Income before income taxes	225	200	13	670	595	13
Income taxes						
Credigy	16	15	7	47	44	7
ABA Bank	31	27	15	92	78	18
International	–	–		1	2	
	47	42	12	140	124	13
Net income						
Credigy	58	56	4	174	168	4
ABA Bank	119	103	16	346	295	17
International	1	(1)		10	8	
	178	158	13	530	471	13
Average assets ⁽¹⁾	31,808	28,189	13	32,024	27,205	18
Average loans and receivables ⁽¹⁾	23,209	22,116	5	23,582	21,528	10
Purchased or originated credit-impaired (POCI) loans	298	395	(25)	298	395	(25)
Net impaired loans excluding Credigy's POCI loans ⁽²⁾	769	433	78	769	433	78
Average deposits ⁽¹⁾	16,068	13,272	21	15,898	12,732	25
Efficiency ratio ⁽²⁾	33.6 %	31.9 %		31.3 %	31.1 %	

(1) Represents an average of the daily balances for the period.

(2) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

In the USSF&I segment, net income totalled \$178 million in the third quarter of 2025, up 13% from \$158 million in the corresponding quarter in 2024, mainly attributable to the ABA Bank subsidiary. The segment's total revenues were \$402 million, up \$41 million or 11% compared to \$361 million in the third quarter of 2024. This increase is mainly explained by the 16% rise in the revenues of the ABA Bank subsidiary and dividend income recorded in the third quarter of 2025 on an investment in a financial group. For the nine-month period ended July 31, 2025, the segment recorded net income of \$530 million, an increase of 13% compared to \$471 million recorded in the corresponding period in 2024.

Credigy

For the third quarter of 2025, the Credigy subsidiary reported net income of \$58 million, up \$2 million or 4% compared to the corresponding quarter in 2024. Total revenues amounted to \$136 million in the third quarter of 2025 compared to \$139 million in the third quarter of 2024, a decrease that was driven by higher gains from the remeasurement of the fair value of certain portfolios in the third quarter of 2024. Non-interest expenses stood at \$40 million in the third quarter of 2025, a \$1 million increase from the corresponding quarter in 2024. Provisions for credit losses decreased by \$7 million compared to the third quarter of 2024 due to the decrease in provisions for credit losses on non-impaired loans.

For the nine-month period ended July 31, 2025, the Credigy subsidiary reported net income of \$174 million, up 4% from the corresponding period in 2024. Total revenues amounted to \$422 million for the nine-month period ended July 31, 2025, up from \$400 million in the corresponding period in 2024. This increase was due to growth in loan volumes and the impact of exchange rate fluctuations, partly offset by a gain realized on the disposal of a loan portfolio and revenues related to the under-utilization of credit facilities recorded during the nine-month period ended July 31, 2024. Non-interest expenses were \$119 million for the nine-month period ended July 31, 2025, up \$11 million from the corresponding period in 2024, owing to compensation and employee benefits, servicing fees, and the impact of exchange rate fluctuations. The subsidiary reported a \$2 million increase in provisions for credit losses compared to the corresponding period in 2024, due to the increase in provisions for credit losses on impaired loans and POCI loans, partly offset by the decrease in provisions for credit losses on non-impaired loans.

ABA Bank

For the third quarter of 2025, the ABA Bank subsidiary recorded net income totalling \$119 million, up \$16 million or 16% from the corresponding quarter in 2024. Total revenues rose 16%, mainly attributable to sustained growth in assets. Non-interest expenses for the third quarter of 2025 stood at \$89 million, up \$13 million or 17% compared to the third quarter of 2024 due to an increase in compensation and employee benefits and occupancy expenses driven by the subsidiary's business growth and the opening of new branches. The subsidiary reported provisions for credit losses totalling \$20 million in the third quarter of 2025, up \$3 million compared to the corresponding quarter in 2024. This increase was due to higher provisions for credit losses on non-impaired loans.

For the nine-month period ended July 31, 2025, the ABA Bank subsidiary recorded net income totalling \$346 million, up \$51 million or 17% from the corresponding period in 2024. The 21% increase in total revenues compared to the corresponding period in 2024 stemmed from business expansion at the subsidiary, driven mainly by sustained asset growth, and the impact of exchange rate fluctuations. ABA Bank reported non-interest expenses totalling \$249 million, up 16% compared to the corresponding period in 2024, due to the same reasons provided above for the quarter as well as the impact of exchange rate fluctuations. The subsidiary reported provisions for credit losses totalling \$70 million for the nine-month period ended July 31, 2025, up \$31 million from the corresponding period in 2024, owing to higher provisions for credit losses on impaired loans and non-impaired loans related to the uncertainties around the imposition of new tariffs.

Other

(millions of Canadian dollars)	Quarter ended July 31		Nine months ended July 31	
	2025 ⁽¹⁾	2024 ⁽²⁾	2025 ⁽¹⁾	2024 ⁽²⁾
Operating results				
Net interest income	(14)	(66)	(96)	(216)
Non-interest income	24	98	(51)	76
Total revenues	10	32	(147)	(140)
Non-interest expenses	161	75	377	146
Income before provisions for credit losses and income taxes	(151)	(43)	(524)	(286)
Provisions for credit losses	2	2	2	(1)
Income before income taxes (recovery)	(153)	(45)	(526)	(285)
Income taxes (recovery)	(92)	(19)	(192)	(93)
Net loss	(61)	(26)	(334)	(192)
Non-controlling interests	–	–	–	(1)
Net loss attributable to the Bank's shareholders and holders of other equity instruments	(61)	(26)	(334)	(191)
Less: Specified items after income taxes ⁽³⁾	(21)	73	(157)	73
Net loss – Adjusted⁽³⁾	(40)	(99)	(177)	(265)
Average assets ⁽⁴⁾	78,334	65,174	73,887	65,117

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarter and the nine-month period ended July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.

(3) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter and nine-month period ended July 31, 2025, the Bank recorded several items related to the acquisition of CWB, including acquisition and integration charges of \$68 million net of income taxes (\$170 million net of income taxes for the nine-month period ended July 31, 2025) and the income tax recovery of \$47 million related to a change in tax treatment. In addition, during the nine-month period ended July 31, 2025, the Bank recorded the amortization of the subscription receipt issuance costs of \$20 million net of income taxes, a gain of \$4 million resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, and the impact of managing fair value changes, representing a loss of \$17 million net of income taxes. During the quarter and nine-month period ended July 31, 2024, the Bank had recorded the amortization of the subscription receipt issuance costs of \$3 million net of income taxes, a gain of \$86 million net of income taxes resulting from the remeasurement at fair value of the CWB common shares already held by the Bank, the impact of managing fair value changes, representing a loss of \$5 million net of income taxes, as well as acquisition and integration charges of \$5 million net of income taxes.

(4) Represents an average of the daily balances for the period.

For the *Other* heading of segment results, a net loss of \$61 million was posted in the third quarter of 2025 compared to a net loss of \$26 million in the corresponding quarter in 2024. The change in net loss was due to the increase in non-interest expenses, stemming mainly from CWB acquisition and integration charges, as well as a \$120 million gain recorded in the third quarter of 2024 as a result of the remeasurement at fair value of the CWB common shares already held by the Bank. These items were partly offset by a higher contribution from Treasury activities, the inclusion of CWB revenues and an income tax recovery of \$47 million recorded in the third quarter of 2025 following a change in tax treatment. The specified items related to the acquisition of CWB had a \$21 million unfavourable impact on the net loss for the third quarter of 2025 compared to a \$73 million favourable impact in the third quarter of 2024. The adjusted net loss stood at \$40 million for the quarter ended July 31, 2025, compared to \$99 million for the corresponding quarter in 2024.

For the nine-month period ended July 31, 2025, the segment's net loss stood at \$334 million compared to a net loss of \$192 million in the corresponding period of 2024. The change in net loss was mainly due to the specified items related to the CWB acquisition that were recorded and had a \$157 million unfavourable impact on the net loss for the nine-month period ended July 31, 2025 compared to a \$73 million favourable impact in the nine-month period ended July 31, 2024. These items were partly offset by a higher contribution from Treasury activities. The adjusted net loss stood at \$177 million for the nine-month period ended July 31, 2025 compared to \$265 million for the corresponding period in 2024.

Consolidated Balance Sheet

Consolidated Balance Sheet Summary

(millions of Canadian dollars)	As at July 31, 2025 ⁽¹⁾	As at October 31, 2024	% Change
Assets			
Cash and deposits with financial institutions	29,561	31,549	(6)
Securities	178,915	145,165	23
Securities purchased under reverse repurchase agreements and securities borrowed	23,388	16,265	44
Loans, net of allowances	292,743	243,032	20
Other	28,014	26,215	7
	552,621	462,226	20
Liabilities and equity			
Deposits	402,286	333,545	21
Other	113,530	101,873	11
Subordinated debt	3,429	1,258	
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,375	25,550	31
Non-controlling interests	1	–	
	552,621	462,226	20

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the balances as at July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section and Note 19 to the Consolidated Financial Statements.

Assets

As at July 31, 2025, the Bank had total assets of \$552.6 billion, up \$90.4 billion or 20% from \$462.2 billion as at October 31, 2024, partly explained by the CWB acquisition. Cash and deposits with financial institutions as at July 31, 2025, stood at \$29.6 billion, down \$1.9 billion, owing primarily to a decrease in deposits with the Bank of Canada, partly offset by an increase in deposits with regulated financial institutions.

Securities have risen \$33.7 billion since October 31, 2024, owing to a \$24.6 billion or 21% increase in securities at fair value through profit or loss driven mainly by equity securities. In addition, securities other than those measured at fair value through profit or loss rose \$9.2 billion. Securities purchased under reverse repurchase agreements and securities borrowed increased by \$7.1 billion since October 31, 2024, driven primarily by the Financial Markets segment and Treasury activities.

As at July 31, 2025, loans, net of allowances for credit losses, totalled \$292.7 billion, up \$49.7 billion or 20% since October 31, 2024. The following table provides a breakdown of the main loan portfolios.

(millions of Canadian dollars)	As at July 31, 2025 ⁽¹⁾	As at October 31, 2024	As at July 31, 2024
Loans			
Residential mortgage and home equity lines of credit	142,165	124,431	122,521
Personal	17,950	17,461	17,387
Credit card	2,897	2,761	2,692
Business and government ⁽²⁾	131,715	99,720	98,244
	294,727	244,373	240,844
Allowances for credit losses	(1,984)	(1,341)	(1,295)
	292,743	243,032	239,549

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the balances as at July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section and Note 19 to the Consolidated Financial Statements.

(2) Including customers' liability under acceptances as at July 31, 2024.

Residential mortgages (including home equity lines of credit) rose \$17.8 billion or 14% since October 31, 2024, due to the inclusion of CWB loans and sustained growth in the business activities of the Personal and Commercial segment. Since October 31, 2024, personal loans were up \$0.5 billion due to the inclusion of CWB loans and growth in the business activities of the Personal and Commercial segment. Credit card receivables were relatively stable. Business and government loans rose \$32.0 billion or 32% since October 31, 2024, mainly due to the inclusion of CWB loans and business growth in Commercial Banking. These increases were partly offset by a decline in the activities of the Financial Markets segment.

Loans, net of allowances for credit losses, grew \$53.2 billion or 22% since July 31, 2024. Residential mortgages (including home equity lines of credit) rose \$19.7 billion or 16% due to the inclusion of CWB, sustained demand for mortgage credit in the Personal and Commercial segment and business growth at the ABA Bank and Credigy subsidiaries. Since July 31, 2024, personal loans rose \$0.6 billion, mainly due to the inclusion of CWB and business growth in Personal Banking. Credit card receivables were up \$0.2 billion. Business and government loans grew \$33.5 billion or 34% since July 31, 2024, owing essentially to business growth in Commercial Banking, mainly due to the inclusion of CWB loans, in the Wealth Management segment, and at the ABA Bank subsidiary.

Impaired loans include all loans classified in Stage 3 of the expected credit loss model and POCI loans. As at July 31, 2025, gross impaired loans stood at \$3,290 million compared to \$2,043 million as at October 31, 2024. As for net impaired loans, they totalled \$2,588 million as at July 31, 2025, compared to \$1,629 million as at October 31, 2024. This increase was mainly due to an increase in net impaired loans in the loan portfolios of the Personal and Commercial Banking segment resulting from the inclusion of impaired loans from CWB and from the ABA Bank subsidiary, partly offset by the decrease in net impaired loans at the Credigy subsidiary (including POCI loans) due to the maturities of certain portfolios and to loan repayments.

As at July 31, 2025, other assets totalled \$28.0 billion, a \$1.8 billion increase since October 31, 2024 that resulted mainly from increases in goodwill and intangible assets resulting from the CWB acquisition.

Liabilities

As at July 31, 2025, the Bank had total liabilities of \$519.2 billion compared to \$436.7 billion as at October 31, 2024.

The Bank's total deposits stood at \$402.3 billion as at July 31, 2025, rising \$68.8 billion or 21% from \$333.5 billion as at October 31, 2024. As at July 31, 2025, personal deposits stood at \$121.9 billion, up \$26.7 billion since October 31, 2024. This increase was driven by the inclusion of CWB deposits and business growth in Personal Banking, in the Financial Markets and Wealth Management segments, and at the ABA Bank subsidiary.

Business and government deposits stood at \$274.5 billion as at July 31, 2025, rising \$41.8 billion since October 31, 2024. The increase is explained by the inclusion of CWB's deposits, business growth in Commercial Banking and in the Financial Markets segment, and Treasury funding activities, including a \$1.0 billion increase in deposits subject to bank capitalization (bail-in) conversion regulations. As at July 31, 2025, deposits from deposit-taking institutions stood at \$5.9 billion, an increase of \$0.3 billion since October 31, 2024 arising from Treasury funding activities.

As at July 31, 2025, other liabilities stood at \$113.5 billion, up \$11.6 billion since October 31, 2024, essentially due to a \$2.9 billion increase in obligations related to securities sold short, a \$7.8 billion increase in obligations related to securities sold under repurchase agreements and securities loaned and a \$1.1 billion increase in other liabilities.

Subordinated debt increased since October 31, 2024, as a result of the issuance on January 13, 2025, and June 26, 2025, of medium-term notes amounting to \$1.0 billion and \$750 million, respectively, and \$400 million in subordinated debentures related to the acquisition of CWB, taking into account the redemption on June 29, 2025, of subordinated debentures issued by CWB amounting to \$125 million.

Equity

As at July 31, 2025, equity attributable to the Bank's shareholders and holders of other equity instruments was \$33.4 billion, rising \$7.8 billion since October 31, 2024. This increase was primarily due to the issuances of common shares related to the CWB acquisition for a total amount of \$6.3 billion, as well as to net income, net of dividends. Moreover, the issuance of Series 47 and 49 preferred shares was more than offset by the redemption for cancellation of Series 32 preferred shares.

Event After the Consolidated Balance Sheet Date

Repurchase of Common Shares

On August 26, 2025, the Bank's Board of Directors approved a normal course issuer bid, beginning on or around September 25, 2025, to repurchase for cancellation up to 8,000,000 common shares (representing approximately 2.04% of its then outstanding common shares) over the 12-month period ending on or around September 24, 2026. Any repurchase through the Toronto Stock Exchange (TSX) will be done at market prices. The common shares may also be repurchased through other means authorized by the TSX and applicable regulations, including private agreements or share repurchase programs under issuer bid exemption orders issued by the securities regulators. A private purchase made under an exemption order issued by a securities regulator will be done at a discount to the prevailing market price. The amounts that are paid above the average book value of the common shares are charged to *Retained earnings*. This normal course issuer bid is subject to the approval of OSFI and the TSX.

Related Party Transactions

The Bank's policies and procedures regarding related party transactions have not significantly changed since October 31, 2024. For additional information, see Note 30 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Securitization and Off-Balance Sheet Arrangements

In the normal course of business, the Bank is party to various financial arrangements that, under IFRS, are not required to be recorded on the Consolidated Balance Sheet or are recorded under amounts other than their notional or contractual values. These arrangements include, among others, transactions with structured entities, derivative financial instruments, the issuance of guarantees, credit instruments, and financial assets received as collateral. A complete analysis of these types of arrangements, including their nature, business purpose, and importance, is provided on pages 53 and 54 of the *2024 Annual Report*.

For additional information on financial assets transferred but not derecognized, guarantees, commitments, and structured entities, see Notes 9, 28, and 29 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Income Taxes

Notice of Assessment

In April 2025, the Bank was reassessed by the Canada Revenue Agency (CRA) for additional income tax and interest of approximately \$125 million (including estimated provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2020 taxation year.

In prior fiscal years, the Bank had been reassessed for additional income tax and interest of approximately \$1,075 million (including provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2012-2019 taxation years.

In the reassessments, the CRA alleges that the dividends were received as part of a "dividend rental arrangement."

In October 2023, the Bank filed a notice of appeal with the Tax Court of Canada, and the matter is now in litigation. The CRA may issue reassessments to the Bank for taxation years subsequent to 2020 in regard to certain activities similar to those that were the subject of the above-mentioned reassessments. The Bank remains confident that its tax position was appropriate and intends to vigorously defend its position. As a result, no amount has been recognized in the Consolidated Financial Statements as at July 31, 2025.

Pillar 2 Rules

On June 20, 2024, Bill C-69 – *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024* received royal assent. The bill included the Pillar 2 rules (global minimum tax) published by the Organisation for Economic Co-operation and Development (OECD) that are applicable to fiscal years beginning on or after December 31, 2023 (November 1, 2024, for the Bank). To date, the Pillar 2 rules have been included in a bill or enacted in certain jurisdictions where the Bank operates. For the quarter and the nine-month period ended July 31, 2025, the Bank estimates that the application of the Pillar 2 rules represents an increase in the effective tax rate of 1.5% and 1.8%, respectively. For the quarter ended July 31, 2025, the Bank continues to apply the exception to the recognition and disclosure of information about deferred tax assets and liabilities arising from the Pillar 2 rules in the jurisdictions where they have been included in a bill or enacted.

Capital Management

Capital management has a dual role of ensuring a competitive return to the Bank's shareholders while maintaining a solid capital foundation that covers the risks inherent to the Bank's business activities, supports its business segments, and protects its clients. The Bank's capital management policy defines the guiding principles as well as the roles and responsibilities of its internal capital adequacy assessment process. This process aims to determine the capital that the Bank needs to maintain to pursue its business activities and accommodate unexpected losses arising from extremely adverse economic and operational conditions. For additional information on the capital management framework, see the Capital Management section on pages 55 to 64 of the Bank's *2024 Annual Report*.

Basel Accord

The Bank and all other major Canadian banks have to maintain the following minimum capital ratios established by OSFI: a CET1 capital ratio of at least 11.5%, a Tier 1 capital ratio of at least 13.0%, and a Total capital ratio of at least 15.0%. For additional information on the ratio calculations, see pages 56 to 58 of the *2024 Annual Report*. All of these ratios include a capital conservation buffer of 2.5% established by the BCBS and OSFI, a 1.0% surcharge applicable solely to Domestic Systemically Important Banks (D-SIBs), and a 3.5% domestic stability buffer (DSB) established by OSFI. The DSB, which can vary from 0% to 4.0% of risk-weighted assets (RWA), consists exclusively of CET1 capital. A D-SIB that fails to meet this buffer requirement will not be subject to automatic constraints to reduce capital distributions but will have to provide a remediation plan to OSFI. The Bank must also meet the requirements of the capital output floor that will ensure that its total calculated RWA is not below 72.5% of the total RWA as calculated under the Basel III Standardized Approaches. OSFI had planned a phase-in of the floor factor, starting at 65.0% in the second quarter of 2023, and rising to reach 72.5% in fiscal 2027. On February 12, 2025, OSFI deferred any additional increases until further notice. As a result, the floor factor, currently set at 67.5%, will remain at this level for an undetermined period. If the capital requirement is less than the capital output floor requirement after applying the floor factor, the difference is added to the total RWA. Lastly, OSFI requires D-SIBs to maintain a Basel III leverage ratio of at least 3.5%, which includes a Tier 1 capital buffer of 0.5% applicable only to D-SIBs. For additional information on the leverage ratio calculation, see page 58 of the *2024 Annual Report*.

In addition, OSFI requires that regulatory capital instruments other than common equity must have a non-viability contingent capital (NVCC) clause to ensure that investors bear losses before taxpayers should the government determine that rescuing a non-viable financial institution is in the public interest. The Bank's regulatory capital instruments, other than common shares, all have an NVCC clause.

OSFI's Total Loss Absorbing Capacity (TLAC) Guideline, which applies to all D-SIBs under the federal government's bail-in regulations, is intended to ensure that a D-SIB has sufficient loss-absorbing capacity to support its internal recapitalization in the unlikely event it becomes non-viable. Available TLAC includes total capital as well as certain senior unsecured debts that satisfy all of the eligibility criteria of OSFI's TLAC guideline. OSFI requires D-SIBs to maintain a risk-based TLAC ratio of at least 25.0% (including the DSB) of RWA and a TLAC leverage ratio of at least 7.25%. The TLAC ratio is calculated by dividing available TLAC by RWA, and the TLAC leverage ratio is calculated by dividing available TLAC by total exposure. As at July 31, 2025, outstanding liabilities of \$24.5 billion (\$23.5 billion as at October 31, 2024) were subject to conversion under the bail-in regulations.

Requirements – Regulatory Capital⁽¹⁾, Leverage⁽¹⁾, and TLAC⁽²⁾ Ratios

	Requirements as at July 31, 2025							Ratios as at July 31, 2025
	Minimum	Capital conservation buffer	Minimum set by BCBS	D-SIB surcharge	Minimum set by OSFI	Domestic stability buffer ⁽³⁾	Minimum set by OSFI, including the domestic stability buffer	
Capital ratios								
CET1	4.5 %	2.5 %	7.0 %	1.0 %	8.0 %	3.5 %	11.5 %	13.9 %
Tier 1	6.0 %	2.5 %	8.5 %	1.0 %	9.5 %	3.5 %	13.0 %	15.6 %
Total	8.0 %	2.5 %	10.5 %	1.0 %	11.5 %	3.5 %	15.0 %	17.8 %
Leverage ratio	3.0 %	n.a.	3.0 %	0.5 %	3.5 %	n.a.	3.5 %	4.7 %
TLAC ratio	21.5 %	n.a.	21.5 %	n.a.	21.5 %	3.5 %	25.0 %	30.0 %
TLAC leverage ratio	6.75 %	n.a.	6.75 %	0.5 %	7.25 %	n.a.	7.25 %	9.0 %

n.a. Not applicable

(1) The capital ratios and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) The TLAC ratio and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

(3) On December 17, 2024, OSFI confirmed that the domestic stability buffer was being maintained at 3.5%.

The Bank ensures that its capital levels are always above the minimum capital requirements set by OSFI, including the DSB. By maintaining a strong capital structure, the Bank can cover the risks inherent to its business activities, support its business segments, and protect its clients.

Other disclosure requirements pursuant to Pillar 3 of the Basel Accord and a set of recommendations defined by the Enhanced Disclosure Task Force (EDTF) are presented in the *Supplementary Regulatory Capital and Pillar 3 Disclosure* report published quarterly and available on the Bank's website at [nbc.ca](https://www.nbc.ca). Furthermore, a complete list of capital instruments and their main features is also available on the Bank's website.

Regulatory Developments

The Bank closely monitors regulatory developments and participates actively in various consultative processes. For additional information about the regulatory context as at October 31, 2024, refer to page 59 of the Capital Management section in the *2024 Annual Report*. In addition, since November 1, 2024, there have been no new regulatory developments to consider.

Management Activities

On January 13, 2025, the Bank issued medium-term notes for a total amount of \$1.0 billion bearing interest at 4.260% and maturing on February 15, 2035. Given that the medium-term notes satisfy the NVCC requirements, they qualify for the purposes of calculating regulatory capital under the Basel III rules.

On February 3, 2025, at closing of the CWB acquisition, the Bank issued a total of 50,272,878 common shares, for total proceeds of \$6.3 billion.

On February 3, 2025, as part of the acquisition of CWB, the Bank acquired the obligations related to the CWB subordinated debentures for a total amount of \$525 million, which included subordinated debentures of \$125 million bearing interest at 4.840% and maturing on June 29, 2030 (redeemed by the Bank on June 29, 2025), subordinated debentures of \$150 million bearing interest at 5.937% and maturing on December 22, 2032 and subordinated debentures of \$250 million bearing interest at 5.949% and maturing on January 29, 2034. Given that the debentures satisfy the NVCC requirements, they qualify for the purposes of calculating regulatory capital under the Basel III rules.

On February 17, 2025, i.e. the first business day after the February 15, 2025 redemption date, the Bank redeemed all the issued and outstanding Non-Cumulative 5-Year Rate-Reset Series 32 First Preferred Shares. Pursuant to the share conditions, the redemption price was \$25.00 per share plus the periodic dividends declared and unpaid. The Bank redeemed 12,000,000 Series 32 First Preferred Shares for a total amount of \$300 million.

On February 20, 2025, there was an exchange of all the issued and outstanding First Preferred Shares, Series 5 and Series 9 of CWB for substantially equivalent First Preferred Shares, Series 47 and Series 49 of National Bank, which are non-cumulative 5-year rate-reset bearing interest at 6.371% and 7.651%. The Bank exchanged 10,000,000 preferred shares for a total amount of \$264 million. Given that the Series 47 and Series 49 preferred shares meet the NVCC requirements, they qualify for the purposes of calculating regulatory capital under the Basel III rules.

On June 26, 2025, the Bank issued medium-term notes for a total amount of \$750 million bearing interest at 4.333% and maturing on August 15, 2035. Given that the medium-term notes satisfy the NVCC requirements, they qualify for the purposes of calculating regulatory capital under the Basel III rules.

Dividends

On August 26, 2025, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of \$1.18 per common share, payable on November 1, 2025 to shareholders of record on September 29, 2025.

Shares, Other Equity Instruments, and Stock Options

	As at July 31, 2025	
	Number of shares or LRCN ⁽¹⁾	\$ million
First preferred shares		
Series 30	14,000,000	350
Series 38	16,000,000	400
Series 40	12,000,000	300
Series 42	12,000,000	300
Series 47	5,000,000	128
Series 49	5,000,000	136
	64,000,000	1,614
Other equity instruments		
LRCN – Series 1	500,000	500
LRCN – Series 2	500,000	500
LRCN – Series 3	500,000	500
	1,500,000	1,500
	65,500,000	3,114
Common shares	391,967,020	9,865
Stock options	11,077,103	

(1) Limited Recourse Capital Notes (LRCN).

As at August 22, 2025, there were 392,069,258 common shares and 10,847,955 stock options outstanding. The number of common shares and options outstanding reflects the closing of the CWB transaction. NVCC provisions require the conversion of capital instruments into a variable number of common shares should OSFI deem a bank to be non-viable or should the government publicly announce that a bank has accepted or agreed to accept a capital injection. If an NVCC trigger event were to occur, all of the Bank's preferred shares, LRCNs, medium-term notes and subordinated debentures which are NVCC capital instruments, would be converted into common shares of the Bank according to an automatic conversion formula at a conversion price corresponding to the greater of the following amounts: (i) a \$5.00 contractual floor price; or (ii) the market price of the Bank's common shares on the date of the trigger event (10-day weighted average price). Based on a \$5.00 floor price and including an estimate for accrued dividends and interest, these NVCC capital instruments would be converted into a maximum of 1,665 million Bank common shares, which would have an 80.9% dilutive effect based on the number of Bank common shares outstanding as at July 31, 2025.

Movement in Regulatory Capital⁽¹⁾

(millions of Canadian dollars)	Nine months ended July 31, 2025
Common Equity Tier 1 (CET1) capital	
Balance at beginning	19,321
Issuance of common shares (including Stock Option Plan)	70
Issuance of common shares related to the CWB acquisition	6,330
Impact of shares purchased or sold for trading	(13)
Repurchase of common shares	–
Replacement options related to the CWB acquisition	29
Other contributed surplus	25
Dividends on preferred and common shares and distributions on other equity instruments	(1,440)
Net income attributable to the Bank's shareholders and holders of other equity instruments	2,958
Removal of own credit spread (net of income taxes)	83
Other	(41)
Movements in accumulated other comprehensive income	
Translation adjustments	(32)
Debt securities at fair value through other comprehensive income	8
Other	–
Change in goodwill and intangible assets (net of related tax liability)	(1,923)
Other, including regulatory adjustments	
Change in defined benefit pension plan asset (net of related tax liability)	26
Change in amount exceeding 15% threshold	
Deferred tax assets	–
Significant investment in common shares of financial institutions	–
Deferred tax assets, unless they result from temporary differences (net of related tax liability)	(22)
Other deductions or regulatory adjustments to CET1 implemented by OSFI	–
Change in other regulatory adjustments	13
Balance at end	25,392
Additional Tier 1 capital	
Balance at beginning	3,149
New Tier 1 eligible capital issuances	250
Redeemed capital	(300)
Other, including regulatory adjustments	(3)
Balance at end	3,096
Total Tier 1 capital	28,488
Tier 2 capital	
Balance at beginning	1,531
New Tier 2 eligible capital issuances	2,150
Redeemed capital	–
Tier 2 instruments issued by subsidiaries and held by third parties	–
Change in certain allowances for credit losses	419
Other, including regulatory adjustments	(25)
Balance at end	4,075
Total regulatory capital	32,563

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

Risk-Weighted Assets by Key Risk Drivers

Risk-weighted assets (RWA) amounted to \$183.1 billion as at July 31, 2025 compared to \$141.0 billion as at October 31, 2024, a \$42.1 billion increase resulting mainly from the inclusion of CWB, organic growth in RWA and a deterioration in the credit quality of the loan portfolio. The changes in the Bank's RWA by risk type are presented in the following table.

Movement of Risk-Weighted Assets by Key Drivers⁽¹⁾

(millions of Canadian dollars)

			Quarter ended			
			July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
	Non-counterparty credit risk	Counterparty credit risk	Total	Total	Total	Total
Credit risk – Risk-weighted assets at beginning	149,016	6,642	155,658	124,443	118,450	116,684
Book size	1,115	(52)	1,063	2,226	3,447	1,067
Book quality	(515)	108	(407)	409	785	(70)
Model updates	–	–	–	108	–	439
Methodology and policy	–	–	–	–	–	–
Acquisitions and disposals	–	–	–	30,708	–	–
Foreign exchange movements	203	20	223	(2,236)	1,761	330
Credit risk – Risk-weighted assets at end	149,819	6,718	156,537	155,658	124,443	118,450
Market risk – Risk-weighted assets at beginning			10,150	9,146	8,002	8,066
Movement in risk levels ⁽²⁾			(942)	1,004	1,144	(64)
Model updates			–	–	–	–
Methodology and policy			–	–	–	–
Acquisitions and disposals			–	–	–	–
Market risk – Risk-weighted assets at end			9,208	10,150	9,146	8,002
Operational risk – Risk-weighted assets at beginning			16,964	14,875	14,523	14,168
Movement in risk levels			401	459	352	355
Methodology and policy			–	–	–	–
Acquisitions and disposals ⁽³⁾			–	1,630	–	–
Operational risk – Risk-weighted assets at end			17,365	16,964	14,875	14,523
Risk-weighted assets at end			183,110	182,772	148,464	140,975

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) Also includes foreign exchange rate movements that are not considered material.

(3) During the second quarter of 2025, the operational risk change is related to the inclusion of CWB which was calculated using the Standardized approach in accordance with the approach used by the Bank.

The table above provides risk-weighted asset movements by the key drivers underlying the different risk categories.

The *Book size* item reflects organic changes in book size and composition (including new loans and maturing loans). RWA movements attributable to book size include increases or decreases in exposures, measured by exposure at default, assuming a stable risk profile.

The *Book quality* item is the Bank's best estimate of changes in book quality related to experience, such as underlying customer behaviour or demographics, including changes resulting from model recalibrations or realignments and also including risk mitigation factors.

The *Model updates* item is used to reflect implementations of new models, changes in model scope, or any other change applied to address model malfunctions.

The *Methodology and policy* item presents the impact of changes in calculation methods resulting from changes in regulatory policies or from new regulations.

Regulatory Capital Ratios, Leverage Ratio, and TLAC Ratios

As at July 31, 2025, the Bank's CET1, Tier 1, and Total capital ratios were, respectively, 13.9%, 15.6%, and 17.8% compared to ratios of, respectively, 13.7%, 15.9%, and 17.0% as at October 31, 2024. The CET1 and Total capital ratios increased since October 31, 2024, whereas the Tier 1 capital ratio decreased. The issuance of common shares related to the acquisition of CWB and the net income, net of dividends had a favourable impact on the ratios, partly offset by the growth in RWA, mainly due to the inclusion of CWB. The Total capital ratio also benefited from the net issuance of subordinated debts. In addition, the redemption of preferred shares on February 17, 2025, partly offset by the exchange of CWB's preferred shares for the Bank's preferred shares on February 20, 2025 negatively affected the Tier 1 ratio.

As at July 31, 2025, the leverage ratio was 4.7% compared to 4.4% as at October 31, 2024. The increase in the leverage ratio was primarily due to growth in Tier 1 capital related to the common shares issued as part of the acquisition of CWB, partly offset by an increase in total exposure.

As at July 31, 2025 the Bank's TLAC ratio and TLAC leverage ratio were 30.0% and 9.0%, respectively, compared to 31.2% and 8.6%, respectively, as at October 31, 2024. The TLAC leverage ratio increase is explained by the net issuances of instruments that met all of the TLAC eligibility criteria during the period. However, the growth in RWA, mainly attributable to the inclusion of CWB, more than offset these issuances, resulting in a decrease in the TLAC ratio.

During the quarter and nine-month period ended July 31, 2025, the Bank was compliant with all of OSFI's regulatory capital, leverage, and TLAC requirements.

Regulatory Capital⁽¹⁾, Leverage Ratio⁽¹⁾ and TLAC⁽²⁾

(millions of Canadian dollars)	As at July 31, 2025	As at October 31, 2024
Capital		
CET1	25,392	19,321
Tier 1	28,488	22,470
Total capital	32,563	24,001
Risk-weighted assets	183,110	140,975
Total exposure	606,554	511,160
Capital ratios		
CET1	13.9 %	13.7 %
Tier 1	15.6 %	15.9 %
Total	17.8 %	17.0 %
Leverage ratio	4.7 %	4.4 %
Available TLAC	54,850	44,040
TLAC ratio	30.0 %	31.2 %
TLAC leverage ratio	9.0 %	8.6 %

(1) Capital, risk-weighted assets, total exposure, the capital ratios, and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) Available TLAC, the TLAC ratio, and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

Public Disclosure Requirements for Global Systemically Important Banks

The BCBS developed an assessment methodology and additional loss absorbency requirements as well as indicators to be used by the BCBS and the Financial Stability Board to evaluate Global Systemically Important Banks (G-SIBs). The annual public disclosure requirements apply to large, globally active banks.

The most recent version of OSFI's advisory entitled *Global Systemically Important Banks – Public Disclosure Requirements* regarding implementation of public disclosure requirements for G-SIBs in Canada took effect in 2022. Canadian banks, including the Bank, that have not been designated as G-SIBs and that have total exposure (as calculated using the Basel III leverage ratio) greater than 200 billion euros at fiscal year-end must publish the indicators annually. The indicators are calculated and presented in accordance with specific BCBS guideline, which are updated annually. Consequently, the values obtained may not be comparable to the other measures presented in this report. The following table presents the indicators used in the BCBS's assessment methodology for evaluating G-SIBs.

Indicators – Global Systemically Important Banks (G-SIBs)⁽¹⁾

(millions of Canadian dollars)		As at October 31	
Category	Indicators	2024	2023
Cross-jurisdictional activity ⁽²⁾	Cross-jurisdictional claims ⁽³⁾	138,500	117,016
	Cross-jurisdictional liabilities ⁽³⁾	84,931	90,476
Size ⁽⁴⁾	Total exposures as defined for use in the Basel III leverage ratio ⁽⁵⁾	513,566	459,090
Interconnectedness ⁽⁶⁾	Intra-financial system assets ⁽⁵⁾	74,527	73,022
	Intra-financial system liabilities ⁽⁵⁾	41,491	38,238
	Securities outstanding ⁽⁵⁾	150,887	109,831
Substitutability / financial institutions infrastructure ⁽⁷⁾	Payment activity ⁽⁸⁾	14,480,595	16,801,902
	Assets under custody	765,929	652,463
	Underwritten transactions in debt and equity markets	46,856	31,821
	Trading volume ⁽⁹⁾		
	Fixed-income securities ⁽⁹⁾	924,734	845,554
Complexity ⁽¹⁰⁾	Equities and other securities ⁽⁹⁾	1,513,131	1,124,984
	Notional amount of over-the-counter derivative financial instruments ⁽⁵⁾	2,261,187	1,847,636
	Trading and investment securities	67,274	54,740
	Level 3 financial assets ⁽⁵⁾	1,360	1,226

- (1) The G-SIB indicators are prepared using the methodology prescribed in the BCBS guidelines published in July 2018 and are calculated using the specific instructions updated by the BCBS each year.
- (2) Represents the Bank's level of interaction outside Canada.
- (3) The amounts as at October 31, 2024, have been revised compared to those previously presented.
- (4) Represents the Bank's total on-and-off balance sheet exposures, as determined by OSFI's Basel III leverage ratio rules before regulatory adjustments.
- (5) Includes insurance activities.
- (6) Represents transactions with other financial institutions.
- (7) Represents the extent to which the Bank's services could be substituted by other institutions.
- (8) For the fiscal years ended October 31, 2024 and 2023.
- (9) This indicator consists of two sub-indicators: fixed-income securities as well as equities and other securities.
- (10) Includes the level of complexity and volume of the Bank's trading activities represented through derivative financial instruments, trading securities, investment securities, and Level 3 financial assets.

Risk Management

Risk-taking is intrinsic to a financial institution’s business. The Bank views risk as an integral part of its development and the diversification of its activities. It advocates a risk management approach that is consistent with its business strategy. The Bank voluntarily exposes itself to certain risk categories, particularly credit and market risk, in order to generate revenue. It also assumes certain risks that are inherent to its activities—to which it does not choose to expose itself—and that do not generate revenue, i.e., mainly operational risks.

Risks	Description
Emerging risks – Increasing and uncertain trade tariffs and barriers	Canadian consumer confidence has rebounded in recent months from previously low levels. Earlier declines in sentiment among consumers and businesses were largely attributed to initial policy actions by the U.S. administration, which included trade threats directed at Canadian exporters. However, the policy landscape has since shifted, with the administration’s tariff strategy refocusing on other global trading partners. The anticipated adverse effects on Canadian businesses have been moderated by exemptions for goods that comply with the United States-Mexico-Canada Agreement (USMCA). As a result, key indicators of consumer and business confidence have shown signs of recovery.
	Globally, trade tensions have persisted. The implementation of a comprehensive tariff package by the U.S. administration has raised average import duties to 18.6%, the highest level recorded since 1933. This period of elevated economic uncertainty, coupled with the unpredictability of U.S. trade policy, continues to contribute to volatility in financial markets and exerts pressure on the broader economic and investment outlook. These developments have implications for inflation dynamics, foreign exchange rates, recessionary risks, and the stability of global supply chains.
	The potential impact on the Bank and its clients is contingent upon the nature and duration of these evolving conditions. Key factors include the longevity and escalation of tariff measures, the emergence of retaliatory actions, potential fiscal and monetary policy responses, and the reactions of global financial markets.
	The Bank continues to monitor these developments closely, assessing both direct and indirect implications for its financial position and that of its clients. This analysis is conducted within a macroeconomic context characterized by elevated debt servicing costs, subdued consumer demand, and increased operating expenses—partly driven by ongoing supply chain reconfigurations. The Bank will continue to incorporate trade and tariff-related considerations into its ongoing evaluation of top and emerging risks.

Despite the exercise of stringent risk management and existing mitigation measures, risk cannot be eliminated entirely, and residual risks may occasionally cause losses. Certain risks are discussed hereafter. For additional information, see the Risk Management section on pages 65 to 112 of the *2024 Annual Report*. Risk management information is also provided in Note 6 to the Consolidated Financial Statements, which covers loans.

Credit Risk

Credit risk is the risk of incurring a financial loss if an obligor does not fully honour its contractual commitments to the Bank. Obligor may be borrowers, issuers, guarantors or counterparties. General economic and market conditions in Canada, the U.S. and other countries in which the Bank operates are currently difficult to predict due in part to measures affecting trade relations between Canada and its partners. The imposition of tariffs and the measures taken in response, as well as the possible impacts on our customers, could have an impact on a debtor’s ability to repay. Credit risk is the most significant risk facing the Bank in the normal course of its business.

Regulatory Developments

The Bank closely monitors regulatory developments and is actively involved in the various consultation processes. For additional information about the regulatory context as at October 31, 2024, see page 81 of the Risk Management section of the *2024 Annual Report*. In addition, since November 1, 2024, there have been no new regulatory developments to consider.

The amounts in the following tables represent the Bank's maximum exposure to credit risk as at the financial reporting date without considering any collateral held or any other credit enhancements. These amounts do not include allowances for credit losses nor amounts pledged as collateral. The tables also exclude equity securities.

Maximum Credit Risk Exposure Under the Basel Asset Categories⁽¹⁾

(millions of Canadian dollars)						As at July 31, 2025		
	Drawn ⁽²⁾	Undrawn commitments	Repo-style transactions ⁽³⁾	Derivative financial instruments	Other off-balance-sheet items ⁽⁴⁾	Total	Standardized Approach ⁽⁵⁾	IRB Approach
Retail								
Residential mortgages	92,784	9,641	–	–	–	102,425	18 %	82 %
Qualifying revolving retail	4,382	13,167	–	–	–	17,549	– %	100 %
Other retail	23,187	2,968	–	–	40	26,195	30 %	70 %
	120,353	25,776	–	–	40	146,169		
Non-retail								
Corporate	125,269	34,852	50,651	56	9,975	220,803	27 %	73 %
Sovereign	71,487	6,095	99,028	–	383	176,993	3 %	97 %
Financial institutions	13,168	1,239	155,082	2,998	2,080	174,567	24 %	76 %
	209,924	42,186	304,761	3,054	12,438	572,363		
Trading portfolio	–	–	–	16,655	–	16,655	2 %	98 %
Securitization	2,857	–	–	–	6,508	9,365	100 %	– %
Total – Gross credit risk	333,134	67,962	304,761	19,709	18,986	744,552	19 %	81 %
Standardized Approach⁽⁵⁾	76,609	2,805	52,681	3,015	7,671	142,781		
IRB Approach	256,525	65,157	252,080	16,694	11,315	601,771		
Total – Gross credit risk	333,134	67,962	304,761	19,709	18,986	744,552	19 %	81 %

(millions of Canadian dollars)						As at October 31, 2024		
	Drawn ⁽²⁾	Undrawn commitments	Repo-style transactions ⁽³⁾	Derivative financial instruments	Other off-balance-sheet items ⁽⁴⁾	Total	Standardized Approach ⁽⁵⁾	IRB Approach
Retail								
Residential mortgages	80,861	8,905	–	–	–	89,766	13 %	87 %
Qualifying revolving retail	3,335	11,867	–	–	–	15,202	– %	100 %
Other retail	17,237	2,526	–	–	37	19,800	13 %	87 %
	101,433	23,298	–	–	37	124,768		
Non-retail								
Corporate	96,023	31,921	42,395	234	8,813	179,386	21 %	79 %
Sovereign	65,758	5,982	79,859	–	283	151,882	3 %	97 %
Financial institutions	8,797	1,095	133,787	2,640	1,700	148,019	22 %	78 %
	170,578	38,998	256,041	2,874	10,796	479,287		
Trading portfolio	–	–	–	17,507	–	17,507	3 %	97 %
Securitization	4,885	–	–	–	6,480	11,365	93 %	7 %
Total – Gross credit risk	276,896	62,296	256,041	20,381	17,313	632,927	16 %	84 %
Standardized Approach⁽⁵⁾	39,868	1,209	47,241	2,870	7,015	98,203		
IRB Approach	237,028	61,087	208,800	17,511	10,298	534,724		
Total – Gross credit risk	276,896	62,296	256,041	20,381	17,313	632,927	16 %	84 %

- (1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.
- (2) Excludes equity securities and certain other assets such as investments in deconsolidated subsidiaries and joint ventures, right-of-use properties and assets, goodwill, deferred tax assets, and intangible assets.
- (3) Securities purchased under reverse repurchase agreements and sold under repurchase agreements as well as securities loaned and borrowed.
- (4) Letters of guarantee, documentary letters of credit, and securitized assets that represent the Bank's commitment to make payments in the event that an obligor cannot meet its financial obligations to third parties.
- (5) Includes exposures to qualifying central counterparties (QCCP).

To meet OSFI's mortgage loan disclosure requirements, additional information has been provided in the documents *Supplementary Financial Information – Third Quarter 2025* and *Supplementary Regulatory Capital and Pillar 3 Disclosure – Third Quarter 2025*, which are available on the Bank's website at [nbc.ca](https://www.bnc.ca).

Market Risk

Market risk is the risk of financial losses arising from movements in market prices. The Bank is exposed to market risk through its participation in trading, investment, and asset/liability management activities.

The following tables provide a breakdown of the Bank's Consolidated Balance Sheet into financial assets and liabilities by those that carry market risk and those that do not carry market risk, distinguishing between trading positions whose main risk measures are Value-at-Risk (VaR) and non-trading positions that use other risk measures.

Reconciliation of Market Risk With Consolidated Balance Sheet Items

(millions of Canadian dollars)

				As at July 31, 2025	
	Balance sheet	Market risk measures		Not subject to market risk	Non-traded risk primary risk sensitivity
		Trading ⁽¹⁾	Non-trading ⁽²⁾		
Assets					
Cash and deposits with financial institutions	29,561	190	24,683	4,688	Interest rate ⁽³⁾
Securities					
At fair value through profit or loss	140,516	137,910	2,606	–	Interest rate ⁽³⁾ and equity
At fair value through other comprehensive income	23,026	–	23,026	–	Interest rate ⁽³⁾ and equity ⁽⁴⁾
At amortized cost	15,373	–	15,373	–	Interest rate ⁽³⁾
Securities purchased under reverse repurchase agreements and securities borrowed	23,388	–	23,388	–	Interest rate ⁽³⁾⁽⁵⁾
Loans, net of allowances	292,743	14,892	277,851	–	Interest rate ⁽³⁾
Derivative financial instruments	12,104	11,376	728	–	Interest rate and exchange rate
Defined benefit asset	456	–	456	–	Other
Other	15,454	503	–	14,951	
	552,621	164,871	368,111	19,639	
Liabilities					
Deposits	402,286	36,158	366,128	–	Interest rate ⁽³⁾
Obligations related to securities sold short	13,823	13,823	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	46,031	–	46,031	–	Interest rate ⁽³⁾⁽⁵⁾
Derivative financial instruments	15,392	14,275	1,117	–	Interest rate and exchange rate
Liabilities related to transferred receivables	28,452	11,012	17,440	–	Interest rate ⁽³⁾
Defined benefit liability	99	–	99	–	Other
Other	9,733	–	–	9,733	Interest rate ⁽³⁾
Subordinated debt	3,429	–	3,429	–	Interest rate ⁽³⁾
	519,245	75,268	434,244	9,733	

- (1) Trading positions whose risk measure is total VaR. For additional information, see the table in the pages ahead and in the Market Risk section of the *2024 Annual Report* that shows the VaR distribution of the trading portfolios by risk category and their diversification effect.
- (2) Non-trading positions that use other risk measures.
- (3) For additional information, see the table in the pages ahead and in the Market Risk section of the *2024 Annual Report* that shows the VaR distribution of the trading portfolios by risk category and their diversification effect, as well as the interest rate sensitivity table.
- (4) The fair value of equity securities designated at fair value through other comprehensive income is presented in Notes 3 and 5 to the Consolidated Financial Statements.
- (5) These instruments are recorded at amortized cost and are subject to credit risk for capital management purposes. For trading-related transactions with maturities of more than one day, interest rate risk is included in the VaR measure.

(millions of Canadian dollars)

As at October 31, 2024

	Balance sheet	Market risk measures		Not subject to market risk	Non-traded risk primary risk sensitivity
		Trading ⁽¹⁾	Non-trading ⁽²⁾		
Assets					
Cash and deposits with financial institutions	31,549	257	20,440	10,852	Interest rate ⁽³⁾
Securities					
At fair value through profit or loss	115,935	113,445	2,490	–	Interest rate ⁽³⁾ and equity ⁽⁴⁾
At fair value through other comprehensive income	14,622	–	14,622	–	Interest rate ⁽³⁾ and equity ⁽⁵⁾
At amortized cost	14,608	–	14,608	–	Interest rate ⁽³⁾
Securities purchased under reverse repurchase agreements and securities borrowed	16,265	–	16,265	–	Interest rate ⁽³⁾⁽⁶⁾
Loans, net of allowances	243,032	14,572	228,460	–	Interest rate ⁽³⁾
Derivative financial instruments	12,309	11,686	623	–	Interest rate ⁽⁷⁾ and exchange rate ⁽⁷⁾
Defined benefit asset	487	–	487	–	Other ⁽⁸⁾
Other	13,419	573	–	12,846	
	462,226	140,533	297,995	23,698	
Liabilities					
Deposits	333,545	30,429	303,116	–	Interest rate ⁽³⁾
Obligations related to securities sold short	10,873	10,873	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	38,177	–	38,177	–	Interest rate ⁽³⁾⁽⁶⁾
Derivative financial instruments	15,760	15,240	520	–	Interest rate ⁽⁷⁾ and exchange rate ⁽⁷⁾
Liabilities related to transferred receivables	28,377	10,564	17,813	–	Interest rate ⁽³⁾
Defined benefit liability	103	–	103	–	Other ⁽⁸⁾
Other	8,583	–	49	8,534	Interest rate ⁽³⁾
Subordinated debt	1,258	–	1,258	–	Interest rate ⁽³⁾
	436,676	67,106	361,036	8,534	

(1) Trading positions whose risk measure is total VaR. For additional information, see the table on the following page and in the Market Risk section of the *2024 Annual Report* that shows the VaR distribution of the trading portfolios by risk category and their diversification effect.

(2) Non-trading positions that use other risk measures.

(3) For additional information, see the table in the pages ahead and in the Market Risk section of the *2024 Annual Report* that shows the VaR distribution of the trading portfolios by risk category and their diversification effect and the interest rate sensitivity table.

(4) For additional information, see Note 7 to the audited annual consolidated financial statements for the year ended October 31, 2024.

(5) The fair value of equity securities designated at fair value through other comprehensive income is presented in Notes 3 and 5 to the Consolidated Financial Statements.

(6) These instruments are recorded at amortized cost and are subject to credit risk for capital management purposes. For trading-related transactions with maturities of more than one day, interest rate risk is included in the VaR measure.

(7) For additional information, see Notes 18 and 19 to the audited annual consolidated financial statements for the year ended October 31, 2024.

(8) For additional information, see Note 25 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Trading Activities

The table below shows the VaR distribution of trading portfolios by risk category and their diversification effect.

VaR of Trading Portfolios⁽¹⁾⁽²⁾

(millions of Canadian dollars)					Quarter ended				Nine months ended	
	July 31, 2025				April 30, 2025		July 31, 2024		July 31, 2025	July 31, 2024
	Low	High	Average	Period end	Average	Period end	Average	Period end	Average	Average
Interest rate	(10.5)	(18.8)	(14.6)	(14.7)	(12.4)	(12.7)	(8.5)	(6.7)	(13.2)	(8.9)
Exchange rate	(0.7)	(3.2)	(1.4)	(2.0)	(1.5)	(1.7)	(1.7)	(1.5)	(1.7)	(2.0)
Equity	(4.7)	(6.5)	(5.3)	(5.5)	(6.2)	(5.6)	(3.4)	(3.3)	(5.4)	(5.6)
Commodity	(1.2)	(2.7)	(1.9)	(2.7)	(1.3)	(1.1)	(1.2)	(1.0)	(1.6)	(1.5)
Diversification effect ⁽³⁾	n.m.	n.m.	9.9	9.3	8.7	9.2	5.9	6.6	9.2	7.2
Total trading VaR	(10.0)	(16.9)	(13.3)	(15.6)	(12.7)	(11.9)	(8.9)	(5.9)	(12.7)	(10.8)

n.m. Computation of a diversification effect for the high and low is not meaningful, as highs and lows may occur on different days and be attributable to different types of risk.

(1) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

(2) Amounts are presented on a pre-tax basis and represent one-day VaR using a 99% confidence level.

(3) The total trading VaR is less than the sum of the individual risk factor VaR results due to the diversification effect.

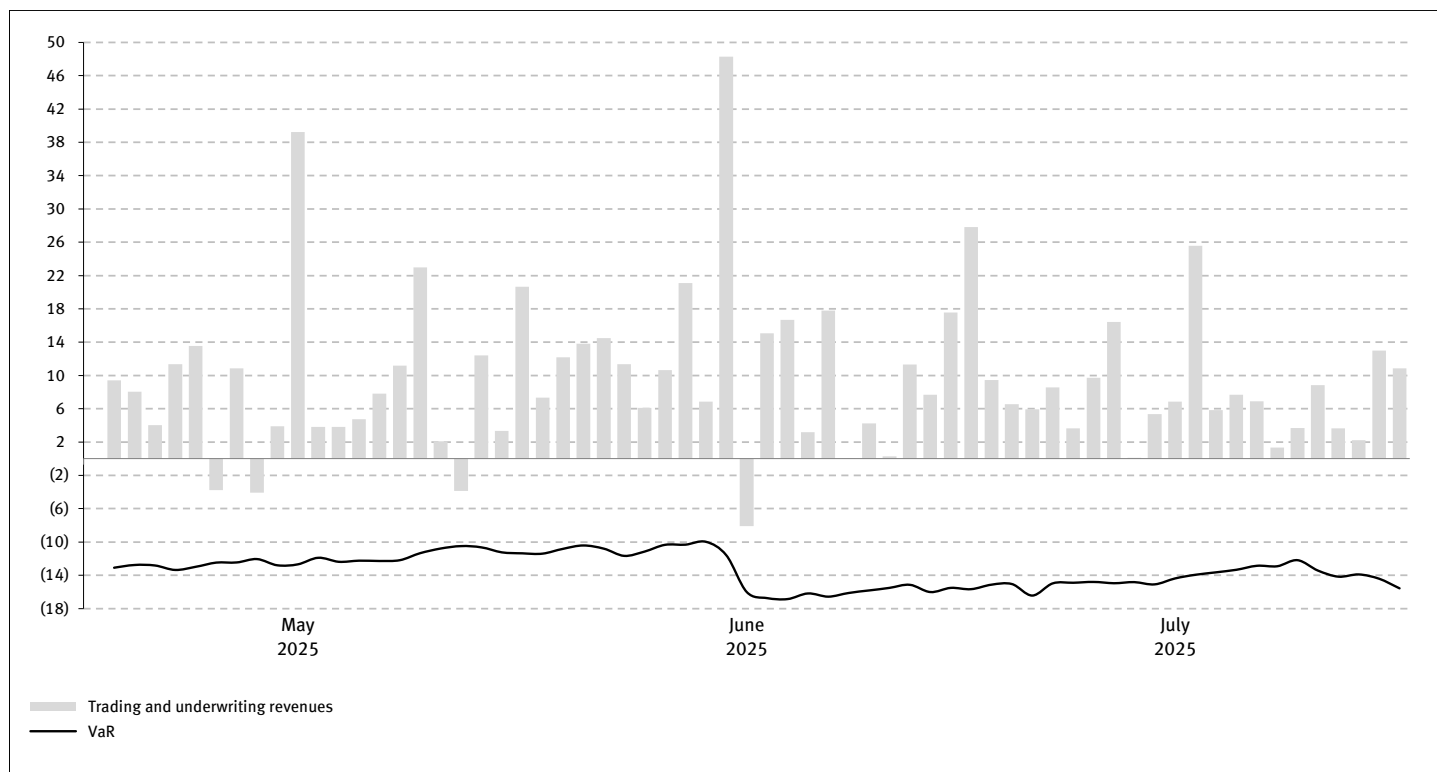
The average total VaR of the trading portfolios remained relatively stable from the second quarter of 2025 to the third quarter of 2025.

Daily Trading and Underwriting Revenues

The following chart shows daily trading and underwriting revenues and VaR. During the quarter ended July 31, 2025, daily trading and underwriting revenues were positive on 92% of the days. In addition, four days were marked by net daily trading and underwriting losses in excess of \$1 million. None of these losses exceeded VaR.

Quarter Ended July 31, 2025

(millions of Canadian dollars)



Interest Rate Sensitivity – Non-Trading Activities (Before Tax)

The following table presents the potential before-tax impact of an immediate and sustained 100-basis-point increase or of an immediate and sustained 100-basis-point decrease in interest rates on the economic value of equity and on the net interest income of the Bank's non-trading portfolios for the next 12 months, assuming no further hedging is undertaken.

(millions of Canadian dollars)	As at July 31, 2025			As at October 31, 2024		
	Canadian dollar	Other currencies	Total	Canadian dollar	Other currencies	Total
Impact on equity						
100-basis-point increase in the interest rate	(541)	(75)	(616)	(378)	(57)	(435)
100-basis-point decrease in the interest rate	528	77	605	352	48	400
Impact on net interest income						
100-basis-point increase in the interest rate	112	(24)	88	121	(22)	99
100-basis-point decrease in the interest rate	(130)	31	(99)	(161)	25	(136)

Liquidity and Funding Risk

Liquidity and funding risk is the risk that the Bank will be unable to honour daily cash and financial obligations without resorting to costly and untimely measures. Liquidity and funding risk arises when sources of funds become insufficient to meet scheduled payments under the Bank's commitments.

Liquidity risk refers to the possibility that an institution may not be able to meet its financial obligations as they fall due, due to a mismatch between cash inflows and outflows, without incurring unacceptable losses.

Funding risk is defined as the risk to the Bank's ongoing ability to raise sufficient funds to finance actual or proposed business activities on an unsecured or secured basis at an acceptable price. The funding management priority is to achieve an optimal balance between deposits, securitization, secured funding, and unsecured funding. This brings optimal stability to the funding and reduces vulnerability to unpredictable events.

Regulatory Developments

The Bank continues to closely monitor regulatory developments and participates actively in various consultative processes. For additional information about the regulatory context as at October 31, 2024, refer to pages 95 and 96 of the Risk Management section in the *2024 Annual Report*. Furthermore, since November 1, 2024, the new regulatory developments below are to be considered.

On November 21, 2024, OSFI published an amended version of the *Liability Adequacy Requirement (LAR) Guideline*. The LAR Guideline incorporates two sets of revisions related to intraday liquidity and the treatment of bankers' acceptances. The revisions relating to intraday liquidity affect Chapters 1 and 7 of the LAR Guideline, while those relating to the processing of bankers' acceptances affect Chapters 3 and 4. No changes were made to Chapters 2, 5 and 6. Implementation of the new intraday liquidity rules is scheduled for November 2025, and is limited to the direct clearers of Lynx, Canada's high-value payment system.

The Bank is actively participating in the OSFI consultation process launched on May 22, 2025, on the Internal Liquidity Adequacy Assessment Process (ILAAP) discussion paper, which aims to refine OSFI's approach to Pillar 2 liquidity supervision to meet international best practices while reflecting the specific characteristics of the Canadian financial sector. The Bank is also engaged in OSFI's public consultation on proposed revisions to the LAR Guideline.

Liquidity Management

Liquid Assets

To protect depositors and creditors from unexpected crisis situations, the Bank holds a portfolio of unencumbered liquid assets that can be readily liquidated to meet financial obligations. The majority of the unencumbered liquid assets are held in Canadian or U.S. dollars. Moreover, all assets that can be quickly monetized are considered liquid assets. The Bank's liquidity reserves do not factor in the availability of the emergency liquidity facilities of central banks. The following tables provide information on the Bank's encumbered and unencumbered assets.

Liquid Asset Portfolio⁽¹⁾

(millions of Canadian dollars)	As at July 31, 2025					As at October 31, 2024
	Bank-owned liquid assets ⁽²⁾	Liquid assets received ⁽³⁾	Total liquid assets	Encumbered liquid assets ⁽⁴⁾	Unencumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	29,561	–	29,561	16,399	13,162	19,819
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	46,302	60,289	106,591	56,986	49,605	41,541
Issued or guaranteed by Canadian provincial and municipal governments	16,231	12,792	29,023	16,694	12,329	10,669
Other debt securities	6,182	4,768	10,950	3,520	7,430	7,305
Equity securities	110,200	61,197	171,397	114,409	56,988	40,972
Loans						
Securities backed by insured residential mortgages	18,566	–	18,566	7,473	11,093	8,471
As at July 31, 2025	227,042	139,046	366,088	215,481	150,607	
As at October 31, 2024	192,169	117,906	310,075	181,298		128,777

(millions of Canadian dollars)	As at July 31, 2025	As at October 31, 2024
Unencumbered liquid assets by entity		
National Bank (parent)	104,908	80,768
Domestic subsidiaries	8,681	12,023
Foreign subsidiaries and branches	37,018	35,986
	150,607	128,777

(millions of Canadian dollars)	As at July 31, 2025	As at October 31, 2024
Unencumbered liquid assets by currency		
Canadian dollar	83,901	66,970
U.S. dollar	62,022	53,960
Other currencies	4,684	7,847
	150,607	128,777

Liquid Asset Portfolio⁽¹⁾ – Average⁽⁵⁾

(millions of Canadian dollars)	Quarter ended					
	July 31, 2025					October 31, 2024
	Bank-owned liquid assets ⁽²⁾	Liquid assets received ⁽³⁾	Total liquid assets	Encumbered liquid assets ⁽⁴⁾	Unencumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	32,848	–	32,848	15,961	16,887	20,762
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	47,591	63,752	111,343	64,094	47,249	40,832
Issued or guaranteed by Canadian provincial and municipal governments	17,557	13,437	30,994	20,169	10,825	9,063
Other debt securities	7,405	5,326	12,731	4,176	8,555	8,244
Equity securities	115,644	59,364	175,008	112,194	62,814	45,621
Loans						
Securities backed by insured residential mortgages	18,753	–	18,753	8,620	10,133	8,486
	239,798	141,879	381,677	225,214	156,463	133,008

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) Bank-owned liquid assets include assets for which there are no legal or geographic restrictions.

(3) Securities received as collateral with respect to securities financing and derivative transactions and securities purchased under reverse repurchase agreements and securities borrowed.

(4) In the normal course of its funding activities, the Bank pledges assets as collateral in accordance with standard terms. Encumbered liquid assets include assets used to cover short sales, obligations related to securities sold under repurchase agreements and securities loaned, guarantees related to security-backed loans and borrowings, collateral related to derivative financial instrument transactions, asset-backed securities, and liquid assets legally restricted from transfers.

(5) The average is based on the sum of the end-of-period balances of the three months of the quarter divided by three.

Summary of Encumbered and Unencumbered Assets⁽¹⁾

(millions of Canadian dollars)					As at July 31, 2025	
	Encumbered assets ⁽²⁾		Unencumbered assets		Total	Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾		
Cash and deposits with financial institutions	2,586	13,813	13,162	—	29,561	3.0
Securities	62,128	—	116,787	—	178,915	11.2
Securities purchased under reverse repurchase agreements and securities borrowed	—	13,823	9,565	—	23,388	2.5
Loans, net of allowances	38,497	—	11,093	243,153	292,743	7.0
Derivative financial instruments	—	—	—	12,104	12,104	—
Premises and equipment	—	—	—	2,123	2,123	—
Goodwill	—	—	—	3,080	3,080	—
Intangible assets	—	—	—	1,833	1,833	—
Other assets	—	—	—	8,874	8,874	—
	103,211	27,636	150,607	271,167	552,621	23.7

(millions of Canadian dollars)					As at October 31, 2024	
	Encumbered assets ⁽²⁾		Unencumbered assets		Total	Encumbered assets as a % of total assets
	Pledged as collateral	Other ⁽³⁾	Available as collateral	Other ⁽⁴⁾		
Cash and deposits with financial institutions	697	11,033	19,819	—	31,549	2.5
Securities	50,071	—	95,094	—	145,165	10.8
Securities purchased under reverse repurchase agreements and securities borrowed	—	10,872	5,393	—	16,265	2.4
Loans, net of allowances	40,296	—	8,471	194,265	243,032	8.7
Derivative financial instruments	—	—	—	12,309	12,309	—
Premises and equipment	—	—	—	1,868	1,868	—
Goodwill	—	—	—	1,522	1,522	—
Intangible assets	—	—	—	1,233	1,233	—
Other assets	—	—	—	9,283	9,283	—
	91,064	21,905	128,777	220,480	462,226	24.4

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) In the normal course of its funding activities, the Bank pledges assets as collateral in accordance with standard terms. Encumbered assets include assets used to cover short sales, obligations related to securities sold under repurchase agreements and securities loaned, guarantees related to security-backed loans and borrowings, collateral related to derivative financial instrument transactions, asset-backed securities, residential mortgage loans securitized and transferred under the Canada Mortgage Bond program, assets held in consolidated trusts supporting the Bank's funding activities, and mortgage loans transferred under the covered bond program.

(3) Other encumbered assets include assets for which there are restrictions and that cannot therefore be used for collateral or funding purposes as well as assets used to cover short sales.

(4) Other unencumbered assets are assets that cannot be used for collateral or funding purposes in their current form. This category includes assets that are potentially eligible as funding program collateral (e.g., mortgages insured by the Canada Mortgage and Housing Corporation that can be securitized into mortgage-backed securities under the *National Housing Act* (Canada)).

Liquidity Coverage Ratio

The liquidity coverage ratio (LCR) was introduced primarily to ensure that banks could withstand periods of severe short-term stress. LCR is calculated by dividing the total amount of high-quality liquid assets (HQLA) by the total amount of net cash outflows. OSFI has been requiring Canadian banks to maintain a minimum LCR of 100%. An LCR above 100% ensures that banks are holding sufficient high-quality liquid assets to cover net cash outflows given a severe, 30-day liquidity crisis. The assumptions underlying the LCR scenario are established by the BCBS and OSFI's *Liquidity Adequacy Requirements Guideline*.

The table on the following page provides average LCR data calculated using the daily figures in the quarter. For the quarter ended July 31, 2025, the Bank's average LCR was 161%, well above the 100% regulatory requirement and demonstrating the Bank's solid short-term liquidity position.

Quarter ended

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) OSFI prescribed a table format in order to standardize disclosure throughout the banking industry.

(3) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for cash inflows and outflows).

(4) Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates.

(5) Total adjusted values are calculated after the application of both haircuts and inflow and outflow rates and any applicable caps.

(6) The data in this table is calculated using averages of the daily figures in the quarter.

Cash outflows arise from the application of OSFI-prescribed assumptions on deposits, debt, secured funding, commitments and additional collateral requirements. The cash outflows are partly offset by cash inflows, which come mainly from secured loans and performing loans. The Bank expects some quarter-over-quarter variation between reported LCRs without such variation being necessarily indicative of a trend. The variation between the quarter ended July 31, 2025 and the preceding quarter was a result of normal business operations. The Bank's liquid asset buffer is well in excess of its total net cash outflows.

Net Stable Funding Ratio

The BCBS has developed the net stable funding ratio (NSFR) to promote a more resilient banking sector. The NSFR requires institutions to maintain a stable funding profile in relation to the composition of their assets and off-balance-sheet activities. A viable funding structure is intended to reduce the likelihood that disruptions to an institution's regular sources of funding would erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR is calculated by dividing available stable funding by required stable funding. OSFI has been requiring Canadian banks to maintain a minimum NSFR of 100%.

The following table provides the available stable funding and required stable funding in accordance with OSFI's *Liquidity Adequacy Requirements Guideline*. As at July 31, 2025, the Bank's NSFR was 123%, well above the 100% regulatory requirement and demonstrating the Bank's solid long-term liquidity position.

NSFR Disclosure Requirements⁽¹⁾⁽²⁾

(millions of Canadian dollars)	As at July 31, 2025				As at April 30, 2025	
	Unweighted value by residual maturity				Weighted value ⁽³⁾	Weighted value ⁽³⁾
	No maturity	6 months or less	Over 6 months to 1 year	Over 1 year		
Available Stable Funding (ASF) Items						
Capital:	33,803	—	—	3,429	37,232	35,937
Regulatory capital	33,803	—	—	3,429	37,232	35,937
Other capital instruments	—	—	—	—	—	—
Retail deposits and deposits from small business customers:	77,002	19,031	10,479	32,953	129,299	128,836
Stable deposits	29,246	6,054	4,010	9,624	46,968	47,066
Less stable deposits	47,756	12,977	6,469	23,329	82,331	81,770
Wholesale funding:	90,086	108,857	32,981	71,034	148,948	143,835
Operational deposits	40,253	—	—	—	20,126	18,570
Other wholesale funding	49,833	108,857	32,981	71,034	128,822	125,265
Liabilities with matching interdependent assets ⁽⁴⁾	—	3,142	1,821	23,489	—	—
Other liabilities ⁽⁵⁾ :	17,807	7,470			1,200	1,239
NSFR derivative liabilities ⁽⁵⁾	n.a.	(1,824)			n.a.	n.a.
All other liabilities and equity not included in the above categories	17,807	3,795	488	5,011	1,200	1,239
Total ASF	n.a.	n.a.	n.a.	n.a.	316,679	309,847
Required Stable Funding (RSF) Items						
Total NSFR high-quality liquid assets (HQLA)	n.a.	n.a.	n.a.	n.a.	10,575	7,787
Deposits held at other financial institutions for operational purposes	—	—	—	—	—	—
Performing loans and securities:	69,396	123,722	43,501	120,020	203,859	200,025
Performing loans to financial institutions secured by Level 1 HQLA	222	9,513	—	—	487	342
Performing loans to financial institutions secured by non-Level-1 HQLA and unsecured performing loans to financial institutions	7,266	64,520	3,792	7,451	18,158	17,104
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	35,293	35,883	24,635	48,336	104,640	103,474
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	711	2,964	321	626	2,405	2,474
Performing residential mortgages, of which:	9,154	12,457	14,708	62,713	63,573	61,858
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	9,154	12,457	14,708	62,713	63,573	61,858
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	17,461	1,349	366	1,520	17,001	17,247
Assets with matching interdependent liabilities ⁽⁴⁾	—	3,142	1,821	23,489	—	—
Other assets ⁽⁵⁾ :	13,978	33,055			36,492	31,661
Physical traded commodities, including gold	3,253	n.a.		n.a.	2,912	992
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs ⁽⁵⁾	n.a.	13,458			11,439	10,847
NSFR derivative assets ⁽⁵⁾	n.a.	3,517			5,340	3,266
NSFR derivative liabilities before deduction of the variation margin posted ⁽⁵⁾	n.a.	9,399			470	501
All other assets not included in the above categories	10,725	2,170	1,427	3,084	16,331	16,055
Off-balance-sheet items ⁽⁵⁾	n.a.	144,091			5,511	5,374
Total RSF	n.a.	n.a.	n.a.	n.a.	256,437	244,847
Net Stable Funding Ratio (%)	n.a.	n.a.	n.a.	n.a.	123 %	127 %

n.a. Not applicable

(1) See the Financial Reporting Method section on pages 6 to 12 for additional information on capital management measures.

(2) OSFI prescribed a table format in order to standardize disclosure throughout the banking industry.

(3) Weighted values are calculated after application of the weightings set out in OSFI's *Liquidity Adequacy Requirements Guideline*.

(4) As per OSFI's specifications, liabilities arising from transactions involving the Canada Mortgage Bond program and their corresponding encumbered mortgages are given ASF and RSF weights of 0%, respectively.

(5) As per OSFI's specifications, there is no need to differentiate by maturities.

The NSFR represents the amount of ASF relative to the amount of RSF. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of RSF of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance-sheet exposures. The ASF and RSF amounts are calibrated to reflect the degree of stability of liabilities and liquidity of assets. The Bank expects some quarter-over-quarter variation between reported NSFRs without such variation being necessarily indicative of a long-term trend.

The NSFR assumptions differ from the assumptions used for the liquidity disclosures provided in the tables on the preceding pages or those used for internal liquidity management rules. While the liquidity disclosure framework is prescribed by the EDTF, the Bank's internal liquidity metrics use assumptions that are calibrated according to its business model and experience.

Funding

The Bank continuously monitors and analyzes market trends as well as possibilities for accessing less expensive and more flexible funding, considering both the risks and opportunities observed. The deposit strategy remains a priority for the Bank, which continues to prefer deposits to institutional funding.

The table below presents the residual contractual maturities of the Bank's wholesale funding. The information has been presented in accordance with the categories recommended by the EDTF working group for comparison purposes with other banks.

Residual Contractual Maturities of Wholesale Funding

(millions of Canadian dollars)		As at July 31, 2025						
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 12 months	Subtotal 1 year or less	Over 1 year to 2 years	Over 2 years	Total
Deposits from banks ⁽¹⁾	708	401	–	139	1,248	–	–	1,248
Certificates of deposit and commercial paper ⁽²⁾	3,341	5,493	10,094	19,425	38,353	–	–	38,353
Senior unsecured medium-term notes ⁽³⁾	106	2,550	8,073	7,582	18,311	8,127	13,811	40,249
Senior unsecured structured notes	–	–	119	1,093	1,212	1,080	2,715	5,007
Covered bonds and asset-backed securities								
Mortgage securitization	–	224	2,704	1,822	4,750	3,799	19,903	28,452
Covered bonds	–	–	–	1,377	1,377	4,438	4,031	9,846
Subordinated liabilities ⁽⁴⁾	–	–	–	–	–	–	3,429	3,429
	4,155	8,668	20,990	31,438	65,251	17,444	43,889	126,584
Secured funding	–	224	2,704	3,199	6,127	8,237	23,934	38,298
Unsecured funding	4,155	8,444	18,286	28,239	59,124	9,207	19,955	88,286
	4,155	8,668	20,990	31,438	65,251	17,444	43,889	126,584
As at October 31, 2024	3,200	11,456	15,080	16,669	46,405	12,239	44,588	103,232

(1) Deposits from banks include all non-negotiable term deposits from banks.

(2) Include bearer deposit notes.

(3) Include debts subject to bank recapitalization (bail-in) conversion regulations.

(4) Subordinated debt is presented in this table, but the Bank does not consider it as part of its wholesale funding.

As part of a comprehensive liquidity management framework, the Bank regularly reviews its contracts that stipulate that additional collateral could be required in the event of a downgrade of the Bank's credit rating. The Bank's liquidity position management approach already incorporates additional collateral requirements in the event of a one-notch to three-notch downgrade in credit rating. The table below presents the additional collateral requirements in the event of a one-, two-, or three-notch credit rating downgrade.

(millions of Canadian dollars)		As at July 31, 2025		
		One-notch downgrade	Two-notch downgrade	Three-notch downgrade
Derivatives ⁽¹⁾		27	76	151

(1) Contractual requirements related to agreements known as initial margins and variation margins.

Residual Contractual Maturities of Balance Sheet Items and Off-Balance-Sheet Commitments

The following tables present balance sheet items and off-balance-sheet commitments by residual contractual maturity as at July 31, 2025 with comparative figures as at October 31, 2024. The information gathered from this maturity analysis is a component of liquidity and funding management. However, this maturity profile does not represent how the Bank manages its interest rate risk or its liquidity risk and funding needs. The Bank considers factors other than contractual maturity when assessing liquid assets or determining expected future cash flows.

In the normal course of business, the Bank enters into various off-balance-sheet commitments. The credit instruments used to meet the financing needs of its clients represent the maximum amount of additional credit the Bank could be obligated to extend if the commitments were fully drawn.

The Bank also has future minimum commitments under leases for premises as well as under other contracts, mainly commitments to purchase loans and contracts for outsourced information technology services. Most of the lease commitments are related to operating leases.

(millions of Canadian dollars)										As at July 31, 2025 ⁽¹⁾
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and deposits with financial institutions	13,507	1,353	1,633	712	477	–	–	–	11,879	29,561
Securities										
At fair value through profit or loss	410	527	453	797	1,139	4,990	11,634	10,691	109,875	140,516
At fair value through other comprehensive income	39	34	279	107	830	2,327	8,806	10,279	325	23,026
At amortized cost	28	292	909	165	1,048	2,450	7,373	3,108	–	15,373
	477	853	1,641	1,069	3,017	9,767	27,813	24,078	110,200	178,915
Securities purchased under reverse repurchase agreements and securities borrowed	15,416	2,394	1,113	–	–	346	–	–	4,119	23,388
Loans⁽²⁾										
Residential mortgage	2,777	3,922	6,111	6,279	8,534	25,715	46,784	10,632	571	111,325
Personal	1,060	1,264	1,838	2,222	2,312	6,970	13,349	5,951	13,824	48,790
Credit card									2,897	2,897
Business and government	14,530	8,002	7,956	7,080	6,475	13,563	25,677	10,996	37,436	131,715
Allowances for credit losses									(1,984)	(1,984)
	18,367	13,188	15,905	15,581	17,321	46,248	85,810	27,579	52,744	292,743
Other										
Derivative financial instruments	2,812	1,560	1,100	583	543	1,260	1,714	2,532	–	12,104
Premises and equipment									2,123	2,123
Goodwill									3,080	3,080
Intangible assets									1,833	1,833
Other assets ⁽²⁾	1,522	367	281	327	1,100	1,020	259	197	3,801	8,874
	4,334	1,927	1,381	910	1,643	2,280	1,973	2,729	10,837	28,014
	52,101	19,715	21,673	18,272	22,458	58,641	115,596	54,386	189,779	552,621

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the balances as at July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Amounts collectible on demand are considered to have no specified maturity.

(millions of Canadian dollars)										As at July 31, 2025 ⁽¹⁾
	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Liabilities and equity										
Deposits⁽²⁾⁽³⁾										
Personal	4,685	4,203	5,617	4,450	5,172	10,361	15,731	11,379	60,323	121,921
Business and government	39,780	12,978	24,361	18,660	13,969	15,755	37,811	6,314	104,833	274,461
Deposit-taking institutions	1,787	851	525	162	717	–	2	2	1,858	5,904
	46,252	18,032	30,503	23,272	19,858	26,116	53,544	17,695	167,014	402,286
Other										
Obligations related to securities sold short ⁽⁴⁾	15	272	139	77	79	1,307	4,248	4,946	2,740	13,823
Obligations related to securities sold under repurchase agreements and securities loaned	24,962	4,272	2,426	3,464	–	1,054	–	–	9,853	46,031
Derivative financial instruments	1,731	2,164	1,211	2,192	640	1,448	1,642	4,364	–	15,392
Liabilities related to transferred receivables ⁽⁵⁾	–	224	2,704	358	1,464	3,799	10,213	9,690	–	28,452
Lease liabilities ⁽⁶⁾	7	11	21	22	22	82	194	257	–	616
Other liabilities – Other items ⁽²⁾⁽⁶⁾	2,115	482	245	324	120	168	133	122	5,507	9,216
	28,830	7,425	6,746	6,437	2,325	7,858	16,430	19,379	18,100	113,530
Subordinated debt	–	–	–	–	–	–	1	3,428	–	3,429
Equity									33,376	33,376
	75,082	25,457	37,249	29,709	22,183	33,974	69,975	40,502	218,490	552,621
Off-balance-sheet commitments										
Letters of guarantee and documentary letters of credit	173	1,036	4,179	1,773	2,413	2,392	240	–	–	12,206
Credit card receivables ⁽⁷⁾									11,220	11,220
Backstop liquidity and credit enhancement facilities ⁽⁸⁾	–	–	15	5,552	15	–	–	–	5,378	10,960
Commitments to extend credit ⁽⁹⁾	4,410	12,003	9,607	7,017	7,418	7,468	6,801	883	59,184	114,791
Obligations related to:										
Lease commitments ⁽¹⁰⁾	1	1	2	2	2	5	7	17	–	37
Other contracts	4	8	12	12	12	48	221	4	159	480

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the balances as at July 31, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) Amounts payable upon demand or notice are considered to have no specified maturity.

(3) The *Deposits* item is presented in greater detail than it is on the Consolidated Balance Sheet.

(4) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(5) These amounts mainly include liabilities related to the securitization of mortgage loans.

(6) The *Other liabilities* item is presented in greater detail than it is on the Consolidated Balance Sheet.

(7) These amounts are unconditionally revocable at the Bank's discretion at any time.

(8) In the event of payment on one of the backstop liquidity facilities, the Bank will receive as collateral government bonds in an amount up to \$5.6 billion.

(9) These amounts include \$49.7 billion that is unconditionally revocable at the Bank's discretion at any time.

(10) These amounts include leases for which the underlying asset is of low value and leases other than for real estate of less than one year.

(millions of Canadian dollars)

As at October 31, 2024

	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and deposits with financial institutions	20,300	868	458	395	146	–	–	–	9,382	31,549
Securities										
At fair value through profit or loss	155	179	692	1,173	1,691	4,018	10,420	9,930	87,677	115,935
At fair value through other comprehensive income	14	97	263	33	34	2,863	5,688	4,964	666	14,622
At amortized cost	232	756	545	931	629	2,748	7,170	1,597	–	14,608
	401	1,032	1,500	2,137	2,354	9,629	23,278	16,491	88,343	145,165
Securities purchased under reverse repurchase agreements and securities borrowed	5,525	2,900	2,222	881	–	696	–	–	4,041	16,265
Loans⁽¹⁾										
Residential mortgage	1,901	2,012	3,466	4,431	4,762	23,671	44,223	9,993	550	95,009
Personal	861	865	1,648	1,843	1,890	7,957	12,050	6,086	13,683	46,883
Credit card									2,761	2,761
Business and government	12,533	5,621	4,733	4,747	5,588	10,704	18,364	6,545	30,885	99,720
Allowances for credit losses									(1,341)	(1,341)
	15,295	8,498	9,847	11,021	12,240	42,332	74,637	22,624	46,538	243,032
Other										
Derivative financial instruments	2,619	1,950	1,187	643	375	1,707	1,576	2,252	–	12,309
Premises and equipment									1,868	1,868
Goodwill									1,522	1,522
Intangible assets									1,233	1,233
Other assets ⁽¹⁾	3,080	213	757	1,298	221	855	426	102	2,331	9,283
	5,699	2,163	1,944	1,941	596	2,562	2,002	2,354	6,954	26,215
	47,220	15,461	15,971	16,375	15,336	55,219	99,917	41,469	155,258	462,226

(1) Amounts collectible on demand are considered to have no specified maturity.

(millions of Canadian dollars)

As at October 31, 2024

	1 month or less	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specified maturity	Total
Liabilities and equity										
Deposits⁽¹⁾⁽²⁾										
Personal	4,022	3,808	4,840	5,342	4,810	6,856	13,857	7,170	44,476	95,181
Business and government	34,782	14,521	18,716	10,445	6,927	9,649	37,905	6,273	93,512	232,730
Deposit-taking institutions	803	101	364	1,188	401	11	2	26	2,738	5,634
	39,607	18,430	23,920	16,975	12,138	16,516	51,764	13,469	140,726	333,545
Other										
Obligations related to securities sold short ⁽³⁾	124	260	396	113	64	1,141	2,323	4,354	2,098	10,873
Obligations related to securities sold under repurchase agreements and securities loaned	19,554	2,510	3,915	3,481	–	1,073	–	–	7,644	38,177
Derivative financial instruments	1,875	3,134	2,183	509	372	1,844	1,886	3,957	–	15,760
Liabilities related to transferred receivables ⁽⁴⁾	–	1,897	1,216	1,543	197	4,169	8,872	10,483	–	28,377
Securitization – Credit card ⁽⁵⁾	49	–	–	–	–	–	–	–	–	49
Lease liabilities ⁽⁵⁾	6	13	19	19	18	72	176	149	–	472
Other liabilities – Other items ⁽¹⁾⁽⁵⁾	1,674	199	238	10	51	65	79	170	5,679	8,165
	23,282	8,013	7,967	5,675	702	8,364	13,336	19,113	15,421	101,873
Subordinated debt	–	–	–	–	–	–	–	1,258	–	1,258
Equity									25,550	25,550
	62,889	26,443	31,887	22,650	12,840	24,880	65,100	33,840	181,697	462,226
Off-balance-sheet commitments										
Letters of guarantee and documentary letters of credit	80	1,861	1,914	1,420	1,456	2,506	203	20	–	9,460
Credit card receivables ⁽⁶⁾									10,515	10,515
Backstop liquidity and credit enhancement facilities ⁽⁷⁾	–	15	5,552	15	–	–	–	–	5,483	11,065
Commitments to extend credit ⁽⁸⁾	3,243	12,896	9,811	8,121	4,600	5,248	3,635	114	52,612	100,280
Obligations related to:										
Lease commitments ⁽⁹⁾	1	1	2	1	1	5	4	2	–	17
Other contracts ⁽¹⁰⁾	5	10	14	12	12	48	244	9	161	515

(1) Amounts payable upon demand or notice are considered to have no specified maturity.

(2) The *Deposits* item is presented in greater detail than it is on the Consolidated Balance Sheet.

(3) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(4) These amounts mainly include liabilities related to the securitization of mortgage loans.

(5) The *Other liabilities* item is presented in greater detail than it is on the Consolidated Balance Sheet.

(6) These amounts are unconditionally revocable at the Bank's discretion at any time.

(7) In the event of payment on one of the backstop liquidity facilities, the Bank will receive as collateral government bonds in an amount up to \$5.6 billion.

(8) These amounts include \$48.6 billion that is unconditionally revocable at the Bank's discretion at any time.

(9) These amounts include leases for which the underlying asset is of low value and leases other than for real estate of less than one year.

(10) These amounts include \$5 million in contractual commitments related to the head office building.

Environmental and Social Risk

Environmental and social risk is the possibility that environmental and social matters would result in a financial loss for the Bank or affect its business activities. For additional information on the ways the Bank addresses and mitigates this risk, see the Environmental and Social Risk section on pages 110 to 112 of the Bank's *2024 Annual Report*.

Regulatory Developments

The Bank continues to closely monitor regulatory developments and participates actively in various consultative processes. Since November 1, 2024, the new regulatory developments below are to be considered.

On December 18, 2024, the Canadian Sustainability Standards Board (CSSB) published its first Canadian Sustainability Disclosure Standards (CSDS). CSDS 1 – *General Requirements for Disclosure of Sustainability-related Financial Information*, and CSDS 2 – *Climate-related Disclosures*, which are aligned with IFRS S1 – *General Requirements for Disclosure of Sustainability-related financial Information* and IFRS S2 – *Climate-related Disclosures*, retain the proposals included in the exposure drafts published on March 13, 2024, and include additional transition relief measures for certain disclosure requirements. CSDS will be applicable to D-SIBs at the end of fiscal 2026, and transitional relief measures will postpone certain disclosure requirements until the end of fiscal 2029. Disclosure under CSDS will be voluntary until mandated by the CSA. On April 23, 2025, the CSA announced that it was pausing its work on projects related to mandatory climate-related disclosure and amendments to existing diversity disclosure requirements. The CSA will monitor regulatory developments and revisit these two projects in the coming years.

On March 7, 2025, OSFI released an update to Guideline B-15, Climate Risk Management. Key changes include the deferral of the Scope 3 greenhouse gas (GHG) emissions disclosure requirement and clarification of expectations regarding asset management activities.

Risk Disclosures

One of the purposes of the *2024 Annual Report*, the *Report to Shareholders – Third Quarter 2025*, and the related supplementary information documents is to provide transparent, high-quality risk disclosures in accordance with the recommendations made by the Financial Stability Board's EDTF group. The following table lists the references where users can find information that responds to the EDTF's 32 recommendations.

		2024 Annual Report	Report to Shareholders ⁽¹⁾	Pages Supplementary Regulatory Capital and Pillar 3 Disclosure ⁽¹⁾
General				
1	Location of risk disclosures	12	49	
	Management's Discussion and Analysis	55 to 112, 125 and 127 to 129	26 to 48	
	Consolidated Financial Statements	Notes 1, 8, 18, 25 and 31	Notes 6 and 13	
	Supplementary Financial Information			23 to 33 ⁽²⁾
	Supplementary Regulatory Capital and Pillar 3 Disclosure			5 to 62
2	Risk terminology and risk measures	65 to 112		
3	Top and emerging risks	24 and 70 to 77	5 and 33 to 48	
4	New key regulatory ratios	56 to 59, 95, 96 and 99 to 102	26, 27, 38 and 40 to 43	
Risk governance and risk management				
5	Risk management organization, processes and key functions	65 to 89, 95 to 97 and 102		
6	Risk management culture	65 and 66		
7	Key risks by business segment, risk management and risk appetite	64 to 66 and 70		
8	Stress testing	55, 66, 83, 93, 94 and 97		
Capital adequacy and risk-weighted assets (RWA)				
9	Minimum Pillar 1 capital requirements	56 to 59	26 and 27	
10	Reconciliation of the accounting balance sheet to the regulatory balance sheet			11 to 17, 20 and 21
11	Movements in regulatory capital	62	29	
12	Capital planning	55 to 64		
13	RWA by business segment and by risk type	64		7
14	Capital requirements by risk and the RWA calculation method	78 to 82		7
15	Banking book credit risk			7
16	Movements in RWA by risk type	63	30	7
17	Assessment of credit risk model performance	69, 79 to 82 and 88		41
Liquidity				
18	Liquidity management and components of the liquidity buffer	95 to 102	38 to 43	
Funding				
19	Summary of encumbered and unencumbered assets	98 and 99	40	
20	Residual contractual maturities of balance sheet items and off-balance-sheet commitments	230 to 234	44 to 47	
21	Funding strategy and funding sources	102 to 104	43	
Market risk				
22	Linkage of market risk measures to balance sheet	90 and 91	35 and 36	
23	Market risk factors	88 to 94, 218 and 219	35 to 38	
24	VaR: Assumptions, limitations and validation procedures	92		
25	Stress tests and backtesting	88 to 94		
Credit risk				
26	Credit risk exposures	87 and 179 to 191	34 and 73 to 85	22 to 50 and 23 to 31 ⁽²⁾
27	Policies for identifying impaired loans	84, 85, 152 and 153		
28	Movements in impaired loans and allowances for credit losses	125, 128, 129 and 179 to 191	73 to 85	28 to 31 ⁽²⁾
29	Counterparty credit risk relating to derivative transactions	83 to 86 and 198 to 201		42 to 50, 32 ⁽²⁾ and 33 ⁽²⁾
30	Credit risk mitigation	81 to 86, 176 and 184		24, 28, 29 and 48 to 58
Other risks				
31	Other risks: Governance, measurement and management	76, 77 and 104 to 112		
32	Publicly known risk events	24, 104 and 105	5, 33 and 48	

(1) Third quarter 2025.

(2) These pages are included in the document entitled *Supplementary Financial Information – Third Quarter 2025*.

Accounting Policies and Financial Disclosure

Material Accounting Policies and Accounting Estimates

The unaudited interim condensed consolidated financial statements for the quarter and nine-month period ended July 31, 2025 were prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and use the same accounting policies as those described in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024, except for the addition of finance lease accounting described below as a result of the acquisition of the Canadian Western Bank (CWB). The financial results of CWB have been consolidated in the Bank's financial statements as of February 3, 2025 and results have been recorded in Personal and Commercial, Wealth Management, and Financial Markets segments and in the *Other* heading of segment disclosures.

Leases

Bank as the lessor

When the Bank is the lessor, the contracts are classified as finance leases if they transfer substantially all of the risks and rewards of ownership of the underlying asset to the lessee, otherwise they are classified as operating leases. For finance leases, a receivable is recorded in *Loans* on the Consolidated Balance Sheet for an amount equal to the net investment in the finance lease, which represents the minimum payments receivable from the lessee plus any unguaranteed residual value expected to be recovered at the end of the lease, discounted at the interest rate implicit in the lease. Finance lease receivables are subsequently recorded at an amount equal to the net investment in the finance lease, net of allowances for expected credit losses. Interest income is recognized over the term of the lease in *Interest income* in the Consolidated Statement of Income. For operating leases, the leased assets remain on the Consolidated Balance Sheet and are reported in *Premises and equipment*, and the rental income is recognized in *Non-interest income* in the Consolidated Statement of Income.

Judgment, Estimates and Assumptions

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment and make estimates and assumptions that affect the reporting date carrying values of assets and liabilities, net income, and related information. Some accounting policies are considered critical given their importance to the presentation of the Bank's financial position and operating results and require subjective and complex judgments and estimates on matters that are inherently uncertain. Any change in these judgments and estimates could have a significant impact on the Bank's consolidated financial statements. The material accounting policies and accounting estimates are the same as those described on pages 113 to 118 of the *2024 Annual Report*, except for the addition mentioned above.

The geopolitical landscape, notably the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, the Russia-Ukraine war and clashes between Israel and Hamas, inflation, climate change, and previously high interest rates continue to create uncertainty. As a result, establishing reliable estimates and applying judgment continue to be substantially complex. See Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024 for a summary of the most significant estimation processes used to prepare the Consolidated Financial Statements and for the valuation techniques used to determine the carrying values and fair values of assets and liabilities. In addition, valuation techniques used for assets and liabilities resulting from the CWB acquisition are described below. The uncertainty surrounding certain key inputs used in measuring ECLs is described in Note 6 to the Consolidated Financial Statements.

CWB acquisition – Valuation of Assets and Liabilities

The Bank used significant judgment and assumptions to determine the fair value of the CWB assets acquired and liabilities assumed, including the loan portfolio, core-deposit and customer relationship intangible assets and deposits.

For loans, fair value was determined by discounting the estimated cash flows expected to be received on all purchased loans back to their present value. Management's best estimate of current key assumptions such as default rates, loss severity, timing of prepayment options and collateral was used to estimate expected cash flows. In determining the discount rate, various inputs were considered, including the risk-free interest rates in the current market, the risk premium associated with the loans and the cost to service the portfolios.

For core-deposit intangible assets, fair value was determined using a discounted cash flow approach, comparing the present value of the cost to maintain the acquired core deposits to the cost of alternative funding. The present value of the cost to maintain the acquired core deposits includes an estimate of future interest costs and operating expenses for these acquired deposits. Core deposits are those that are considered to be stable, below-market sources of funding, whereas the present value of the cost of alternative funding includes an estimate of future interest costs that would be incurred if the funds were borrowed from the public market. Deposit run-off was estimated using historical attrition data, comparing this to market sources at the date of acquisition.

The fair value of customer relationships acquired was determined based on the excess of estimated future cash inflows based on revenue from the acquired relationships over the related estimated cash outflows over the estimated useful life of the customer base.

For the deposits, fair value was determined by discounting the estimated cash flows to be repaid, back to their present value. The timing and amount of cash flows involve significant management judgment regarding the likelihood of early redemption and the timing of withdrawal by the customer. Discount rates were based on the prevailing rates that were paid on similar deposits at the date of acquisition.

The fair value of all other assets and liabilities was calculated using market data where possible, as well as management judgment to determine the price that would be obtained in an arms-length transaction between knowledgeable, willing parties.

For additional information, see Note 19 to the Consolidated Financial Statements.

Future Accounting Policy Changes

The Bank closely monitors both new accounting standards and amendments to existing accounting standards issued by the IASB. There have been no significant updates to the future accounting policy changes disclosed in Note 3 to the audited annual consolidated financial statements for the year ended October 31, 2024. The Bank is currently assessing the impact of applying these standards on the consolidated financial statements.

Financial Disclosure

During the third quarter of 2025, no changes were made to the policies, procedures, and other processes that comprise the Bank's internal control over financial reporting that had or could reasonably have a significant impact on the internal control over financial reporting.

Following the acquisition of CWB on February 3, 2025, the Bank implemented and amended certain processes related to internal control over financial reporting. These amendments did not have a material impact on internal control over financial reporting.

Quarterly Financial Information

(millions of Canadian dollars,
except per share amounts)

	2025				2024		2023	2024	2023
	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1	Q4	Q3	Q2	Q1	Q4	Total
Total revenues	3,449	3,650	3,183	2,944	2,996	2,750	2,710	2,560	11,400
Net income	1,065	896	997	955	1,033	906	922	751	3,816
Earnings per share (\$)									
Basic	2.61	2.19	2.81	2.69	2.92	2.56	2.61	2.11	10.78
Diluted	2.58	2.17	2.78	2.66	2.89	2.54	2.59	2.09	10.68
Dividends per common share (\$)	1.18	1.14	1.14	1.10	1.10	1.06	1.06	1.02	4.32
Return on common shareholders' equity (%)⁽²⁾	13.6	11.9	16.7	16.4	18.4	16.9	17.1	14.1	17.2
Total assets	552,621	536,194	483,833	462,226	453,933	441,690	433,927	423,477	
Net impaired loans⁽²⁾	2,588	2,437	1,836	1,629	1,482	1,426	1,276	1,276	
Per common share (\$)									
Book value ⁽²⁾	77.20	76.13	68.15	65.74	64.64	62.28	61.18	60.40	
Share price									
High	144.96	127.44	140.76	134.23	118.17	114.68	103.38	103.58	
Low	121.09	107.01	128.79	111.98	106.21	101.24	86.50	84.97	

(1) On February 3, 2025, the Bank completed the acquisition of CWB. CWB's results were consolidated from the closing date, which impacted the results, balances and ratios for the quarters ended July 31, 2025 and April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section.

(2) See the Glossary section on pages 53 to 56 for details on the composition of these measures.

Glossary

Acceptances

Acceptances and the customers' liability under acceptances constitute a guarantee of payment by a bank and can be traded in the money market. The Bank earns a "stamping fee" for providing this guarantee.

Allowances for credit losses

Allowances for credit losses represent management's unbiased estimate of expected credit losses as at the balance sheet date. These allowances are primarily related to loans and off-balance-sheet items such as loan commitments and financial guarantees.

Assets under administration

Assets in respect of which a financial institution provides administrative services on behalf of the clients who own the assets. Such services include custodial services, collection of investment income, settlement of purchase and sale transactions, and record-keeping. Assets under administration are not reported on the balance sheet of the institution offering such services.

Assets under management

Assets managed by a financial institution and that are beneficially owned by clients. Management services are more comprehensive than administrative services and include selecting investments or offering investment advice. Assets under management, which may also be administered by the financial institution, are not reported on the balance sheet of the institution offering such services.

Available TLAC

Available TLAC includes total capital as well as certain senior unsecured debt subject to the federal government's bail-in regulations that satisfy all of the eligibility criteria in OSFI's *Total Loss Absorbing Capacity (TLAC) Guideline*.

Average interest-bearing assets

Average interest-bearing assets include interest-bearing deposits with financial institutions and certain cash items, securities, securities purchased under reverse repurchase agreements and securities borrowed, and loans, while excluding customers' liability under acceptances and other assets. The average is calculated based on the daily balances for the period.

Average interest-bearing assets, non-trading

Average interest-bearing assets, non-trading, include interest-bearing deposits with financial institutions and certain cash items, securities purchased under reverse repurchase agreements and securities borrowed, and loans, while excluding other assets and assets related to trading activities. The average is calculated based on the daily balances for the period.

Average volumes

Average volumes represent the average of the daily balances for the period of the consolidated balance sheet items.

Basic earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average basic number of common shares outstanding.

Basis point (bps)

Unit of measure equal to one one-hundredth of a percentage point (0.01%).

Book value of a common share

The book value of a common share is calculated by dividing common shareholders' equity by the number of common shares on a given date.

Common Equity Tier 1 (CET1) capital ratio

CET1 capital consists of common shareholders' equity less goodwill, intangible assets, and other capital deductions. The CET1 capital ratio is calculated by dividing total CET1 capital by the corresponding risk-weighted assets.

Compound annual growth rate (CAGR)

CAGR is a rate of growth that shows, for a period exceeding one year, the annual change as though the growth had been constant throughout the period.

Derivative financial instruments

Derivative financial instruments are financial contracts whose value is derived from an underlying interest rate, exchange rate, equity price, commodity price, credit instrument or index. Examples of derivatives include swaps, options, forward rate agreements, and futures. The notional amount of the derivative is the contract amount used as a reference point to calculate the payments to be exchanged between the two parties, and the notional amount itself is generally not exchanged by the parties.

Diluted earnings per share

Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding after taking into account the dilution effect of stock options using the treasury stock method and any gain (loss) on the redemption of preferred shares.

Dividend payout ratio

The dividend payout ratio represents the dividends of common shares (per share amount) expressed as a percentage of basic earnings per share.

Economic capital

Economic capital is the internal measure used by the Bank to determine the capital required for its solvency and to pursue its business operations. Economic capital takes into consideration the credit, market, operational, business and other risks to which the Bank is exposed as well as the risk diversification effect among them and among the business segments. Economic capital thus helps the Bank to determine the capital required to protect itself against such risks and ensure its long-term viability.

Efficiency ratio

The efficiency ratio represents non-interest expenses expressed as a percentage of total revenues. It measures the efficiency of the Bank's operations.

Fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price).

Gross impaired loans as a percentage of total loans and acceptances

This measure represents gross impaired loans expressed as a percentage of the balance of loans and acceptances.

Gross impaired loans excluding Credigy's POCI loans

Gross impaired loans excluding Credigy subsidiary's POCI loans are all loans classified in Stage 3 and POCI loans of the expected credit loss model excluding Credigy subsidiary's POCI loans.

Gross impaired loans excluding Credigy's POCI loans as a percentage of total loans and acceptances

This measure represents gross impaired loans excluding Credigy subsidiary's POCI loans expressed as a percentage of the balance of loans and acceptances.

Hedging

The purpose of a hedging transaction is to modify the Bank's exposure to one or more risks by creating an offset between changes in the fair value of, or the cash flows attributable to, the hedged item and the hedging instrument.

Impaired loans

The Bank considers a financial asset, other than a credit card receivable, to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred or when contractual payments are 90 days past due. Credit card receivables are considered credit-impaired and are fully written off at the earlier of the following dates: when a notice of bankruptcy is received, a settlement proposal is made, or contractual payments are 180 days past due.

Leverage ratio

The leverage ratio is calculated by dividing Tier 1 capital by total exposure. Total exposure is defined as the sum of on-balance-sheet assets (including derivative financial instrument exposures and securities financing transaction exposures) and off-balance-sheet items.

Liquidity coverage ratio (LCR)

The LCR is a measure designed to ensure that the Bank has sufficient high-quality liquid assets to cover net cash outflows given a severe, 30-day liquidity crisis.

Loans and acceptances

Loans and acceptances represent the sum of loans and of the customers' liability under acceptances.

Loan-to-value ratio

The loan-to-value ratio is calculated according to the total facility amount for residential mortgages and home equity lines of credit divided by the value of the related residential property.

Master netting agreement

Legal agreement between two parties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in the event of default, insolvency or bankruptcy.

Net impaired loans

Net impaired loans are gross impaired loans presented net of allowances for credit losses on Stage 3 loan amounts drawn.

Net impaired loans as a percentage of total loans and acceptances

This measure represents net impaired loans as a percentage of the balance of loans and acceptances.

Net impaired loans excluding Credigy's POCI loans

Net impaired loans excluding Credigy subsidiary's POCI loans are gross impaired loans excluding the Credigy subsidiary's POCI loans presented net of allowances for credit losses on amounts drawn on Stage 3 loans granted by the Bank and the POCI loans excluding the Credigy subsidiary's POCI loans.

Net interest income from trading activities

Net interest income from trading activities comprises dividends related to financial assets and liabilities associated with trading activities, net of interest expenses and interest income related to the financing of these financial assets and liabilities.

Net interest income, non-trading

Net interest income, non-trading, comprises revenues related to financial assets and liabilities associated with non-trading activities, net of interest expenses and interest income related to the financing of these financial assets and liabilities.

Net interest margin

Net interest margin is calculated by dividing net interest income by average interest-bearing assets.

Net stable funding ratio (NSFR)

The NSFR ratio is a measure that helps guarantee that the Bank is maintaining a stable funding profile to reduce the risk of funding stress.

Net write-offs as a percentage of average loans and acceptances

This measure represents the net write-offs (net of recoveries) expressed as a percentage of average loans and acceptances.

Non-interest income related to trading activities

Non-interest income related to trading activities consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, certain commission income, other trading activity revenues, and any applicable transaction costs.

Office of the Superintendent of Financial Institutions (Canada) (OSFI)

The mandate of OSFI is to regulate and supervise financial institutions and private pension plans subject to federal oversight, to help minimize undue losses to depositors and policyholders and, thereby, to contribute to public confidence in the Canadian financial system.

Operating leverage

Operating leverage is the difference between the growth rate for total revenues and the growth rate for non-interest expenses.

Provisioning rate

This measure represents the allowances for credit losses on impaired loans expressed as a percentage of gross impaired loans.

Provisioning rate excluding Credigy's POCI loans

This measure represents the allowances for credit losses on impaired loans excluding Credigy subsidiary's POCI loans expressed as a percentage of gross impaired loans excluding Credigy subsidiary's POCI loans.

Provisions for credit losses

Amount charged to income necessary to bring the allowances for credit losses to a level deemed appropriate by management and is comprised of provisions for credit losses on impaired and non-impaired financial assets.

Provisions for credit losses as a percentage of average loans and acceptances

This measure represents the provisions for credit losses expressed as a percentage of average loans and acceptances.

Provisions for credit losses on impaired loans as a percentage of average loans and acceptances

This measure represents the provisions for credit losses on impaired loans expressed as a percentage of average loans and acceptances.

Provisions for credit losses on impaired loans excluding Credigy's POCI loans

Amount charged to income necessary to bring the allowances for credit losses to a level deemed appropriate by management and is comprised of provisions for credit losses on impaired financial assets excluding Credigy subsidiary's POCI loans.

Provisions for credit losses on impaired loans excluding Credigy's POCI loans as a percentage of average loans and acceptances or provisions for credit losses on impaired loans excluding Credigy's POCI loans ratio

This measure represents the provisions for credit losses on impaired loans excluding Credigy subsidiary's POCI loans expressed as a percentage of average loans and acceptances.

Return on average assets

Return on average assets represents net income expressed as a percentage of average assets. This ratio is used to measure the Bank's efficiency in using all its assets to generate profits.

Return on common shareholders' equity (ROE)

ROE represents net income attributable to common shareholders expressed as a percentage of average equity attributable to common shareholders. It is a general measure of the Bank's efficiency in using equity.

Risk-weighted assets

Assets are risk weighted according to the guidelines established by OSFI. In the Standardized calculation approach, risk factors are applied directly to the face value of certain assets in order to reflect comparable risk levels. In the Advanced Internal Ratings-Based (AIRB) Approach, risk-weighted assets are derived from the Bank's internal models, which represent the Bank's own assessment of the risks it incurs. In the Foundation Internal Ratings-Based (FIRB) Approach, the Bank can use its own estimate of probability of default but must rely on OSFI estimates for the loss given default and exposure at default risk parameters. Off-balance-sheet instruments are converted to balance sheet (or credit) equivalents by adjusting the notional values before applying the appropriate risk-weighting factors.

Securities purchased under reverse repurchase agreements

Securities purchased by the Bank from a client pursuant to an agreement under which the securities will be resold to the same client on a specified date and at a specified price. Such an agreement is a form of short-term collateralized lending.

Securities sold under repurchase agreements

Financial obligations related to securities sold pursuant to an agreement under which the securities will be repurchased on a specified date and at a specified price. Such an agreement is a form of short-term funding.

Structured entity

A structured entity is an entity created to accomplish a narrow and well-defined objective and is designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate solely to administrative tasks and the relevant activities are directed by means of contractual arrangements.

Taxable equivalent basis

Taxable equivalent basis is a calculation method that consists of grossing up certain revenues taxed at lower rates (notably dividends) by the income tax to a level that would make it comparable to revenues from taxable sources in Canada, and an equivalent amount is recognized in the income taxes.

Tier 1 capital ratio

Tier 1 capital ratio consists of Common Equity Tier 1 capital and Additional Tier 1 instruments, namely, qualifying non-cumulative preferred shares and the eligible amount of innovative instruments. The Tier 1 capital ratio is calculated by dividing Tier 1 capital, less regulatory adjustments, by the corresponding risk-weighted assets.

TLAC leverage ratio

The TLAC leverage ratio is an independent risk measure that is calculated by dividing available TLAC by total exposure, as set out in OSFI's *Total Loss Absorbing Capacity (TLAC) Guideline*.

TLAC ratio

The TLAC ratio is a measure used to assess whether a non-viable Domestic Systemically Important Bank (D-SIB) has sufficient loss-absorbing capacity to support its recapitalization. It is calculated by dividing available TLAC by risk weighted assets, as set out in OSFI's *Total Loss Absorbing Capacity (TLAC) Guideline*.

Total capital ratio

Total capital is the sum of Tier 1 and Tier 2 capital. Tier 2 capital consists of the eligible portion of subordinated debt and certain allowances for credit losses. The Total capital ratio is calculated by dividing Total capital, less regulatory adjustments, by the corresponding risk-weighted assets.

Total shareholder return (TSR)

TSR represents the average total return on an investment in the Bank's common shares. The return includes changes in share price and assumes that the dividends received were reinvested in additional common shares of the Bank.

Trading activity revenues

Trading activity revenues consist of the net interest income and the non-interest income related to trading activities. Net interest income comprises dividends related to financial assets and liabilities associated with trading activities, and some interest income related to the financing of these financial assets and liabilities net of interest expenses and interest income related to the financing of these financial assets and liabilities. Non-interest income consists of realized and unrealized gains and losses as well as interest income on securities measured at fair value through profit or loss, income from held-for-trading derivative financial instruments, changes in the fair value of loans at fair value through profit or loss, changes in the fair value of financial instruments designated at fair value through profit or loss, realized and unrealized gains and losses as well as interest expense on obligations related to securities sold short, certain commission income, other trading activity revenues, and any applicable transaction costs.

Value-at-Risk (VaR)

VaR is a statistical measure of risk that is used to quantify market risks across products, per types of risks, and aggregate risk on a portfolio basis. VaR is defined as the maximum loss at a specific confidence level over a certain horizon under normal market conditions. The VaR method has the advantage of providing a uniform measurement of financial instrument-related market risks based on a single statistical confidence level and time horizon.

Interim Condensed Consolidated Financial Statements

(unaudited)

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Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)

	As at July 31, 2025	As at October 31, 2024
Assets		
Cash and deposits with financial institutions	29,561	31,549
Securities (Notes 3, 4 and 5)		
At fair value through profit or loss	140,516	115,935
At fair value through other comprehensive income	23,026	14,622
At amortized cost	15,373	14,608
	178,915	145,165
Securities purchased under reverse repurchase agreements and securities borrowed	23,388	16,265
Loans (Note 6)		
Residential mortgage	111,325	95,009
Personal	48,790	46,883
Credit card	2,897	2,761
Business and government	131,715	99,720
	294,727	244,373
Allowances for credit losses	(1,984)	(1,341)
	292,743	243,032
Other		
Derivative financial instruments	12,104	12,309
Premises and equipment	2,123	1,868
Goodwill	3,080	1,522
Intangible assets	1,833	1,233
Other assets (Note 7)	8,874	9,283
	28,014	26,215
	552,621	462,226
Liabilities and equity		
Deposits (Notes 4, 8 and 10)	402,286	333,545
Other		
Obligations related to securities sold short	13,823	10,873
Obligations related to securities sold under repurchase agreements and securities loaned	46,031	38,177
Derivative financial instruments	15,392	15,760
Liabilities related to transferred receivables (Note 4)	28,452	28,377
Other liabilities (Note 9)	9,832	8,686
	113,530	101,873
Subordinated debt (Note 11)	3,429	1,258
Equity		
Equity attributable to the Bank's shareholders and holders of other equity instruments (Notes 12, 14 and 19)		
Preferred shares and other equity instruments	3,114	3,150
Common shares	9,865	3,463
Contributed surplus	124	85
Retained earnings	20,110	18,633
Accumulated other comprehensive income	162	219
	33,375	25,550
Non-controlling interests	1	–
	33,376	25,550
	552,621	462,226

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Income

(unaudited) (millions of Canadian dollars)

	Quarter ended July 31		Nine months ended July 31	
	2025	2024	2025	2024
Interest income				
Loans	4,264	4,026	12,256	11,542
Securities at fair value through profit or loss	504	478	1,585	1,359
Securities at fair value through other comprehensive income	226	141	581	379
Securities at amortized cost	149	106	430	338
Deposits with financial institutions	293	381	895	1,195
	5,436	5,132	15,747	14,813
Interest expense				
Deposits	3,281	3,397	9,649	9,827
Liabilities related to transferred receivables	196	186	589	546
Subordinated debt	36	17	89	44
Other	751	763	2,071	2,241
	4,264	4,363	12,398	12,658
Net interest income⁽¹⁾	1,172	769	3,349	2,155
Non-interest income				
Underwriting and advisory fees	190	125	398	328
Securities brokerage commissions	57	49	169	146
Mutual fund revenues	187	164	539	469
Investment management and trust service fees	346	289	1,008	839
Credit fees	95	103	260	384
Card revenues	54	56	157	157
Deposit and payment service charges	74	75	220	219
Trading revenues (losses)	1,118	1,058	3,687	3,184
Gains (losses) on non-trading securities, net	19	153	68	216
Insurance revenues, net	19	20	59	53
Foreign exchange revenues, other than trading	69	60	199	165
Share in the net income of associates and joint ventures	2	2	6	6
Other	47	73	163	135
	2,277	2,227	6,933	6,301
Total revenues	3,449	2,996	10,282	8,456
Non-interest expenses				
Compensation and employee benefits	1,161	958	3,394	2,771
Occupancy	110	89	294	270
Technology	330	258	957	772
Communications	16	14	50	41
Professional fees	129	82	342	214
Other	179	140	476	394
	1,925	1,541	5,513	4,462
Income before provisions for credit losses and income taxes	1,524	1,455	4,769	3,994
Provisions for credit losses (Note 6)	203	149	1,002	407
Income before income taxes	1,321	1,306	3,767	3,587
Income taxes (Note 16)	256	273	809	726
Net income	1,065	1,033	2,958	2,861
Net income attributable to				
Preferred shareholders and holders of other equity instruments	42	40	124	114
Common shareholders	1,023	993	2,834	2,748
Bank shareholders and holders of other equity instruments	1,065	1,033	2,958	2,862
Non-controlling interests	–	–	–	(1)
	1,065	1,033	2,958	2,861
Earnings per share (dollars) (Note 17)				
Basic	2.61	2.92	7.58	8.09
Diluted	2.58	2.89	7.50	8.03
Dividends per common share (dollars) (Note 12)	1.18	1.10	3.46	3.22

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

(1) Net interest income includes dividend income. For additional information, see Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Consolidated Statements of Comprehensive Income

(unaudited) (millions of Canadian dollars)

	Quarter ended July 31		Nine months ended July 31	
	2025	2024	2025	2024
Net income	1,065	1,033	2,958	2,861
Other comprehensive income, net of income taxes				
Items that may be subsequently reclassified to net income				
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	60	31	(76)	(9)
Impact of hedging net foreign currency translation gains (losses)	(29)	(13)	44	(30)
	31	18	(32)	(39)
Net change in debt securities at fair value through other comprehensive income				
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	48	23	56	56
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(13)	(15)	(48)	(24)
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	—	—	—	—
	35	8	8	32
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	46	(60)	17	(56)
Net (gains) losses on designated derivative financial instruments reclassified to net income	(9)	(34)	(50)	(91)
	37	(94)	(33)	(147)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	(122)	167	(24)	151
Net gains (losses) on equity securities designated at fair value through other comprehensive income	65	7	55	38
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(207)	63	(80)	(270)
	(264)	237	(49)	(81)
Total other comprehensive income, net of income taxes	(161)	169	(106)	(235)
Comprehensive income	904	1,202	2,852	2,626
Comprehensive income attributable to				
Bank shareholders and holders of other equity instruments	904	1,202	2,852	2,627
Non-controlling interests	—	—	—	(1)
	904	1,202	2,852	2,626

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Comprehensive Income (cont.)

(unaudited) (millions of Canadian dollars)

Income Taxes – Other Comprehensive Income

The following table presents the income tax expense or recovery for each component of other comprehensive income.

	Quarter ended July 31		Nine months ended July 31	
	2025	2024	2025	2024
Items that may be subsequently reclassified to net income				
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	(2)	(1)	1	1
Impact of hedging net foreign currency translation gains (losses)	(10)	(5)	16	(13)
	(12)	(6)	17	(12)
Net change in debt securities at fair value through other comprehensive income				
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	18	8	23	21
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(4)	(6)	(18)	(9)
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	1	–	1	–
	15	2	6	12
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	18	(23)	6	(22)
Net (gains) losses on designated derivative financial instruments reclassified to net income	(3)	(13)	(19)	(35)
	15	(36)	(13)	(57)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	(46)	65	(8)	58
Net gains (losses) on equity securities designated at fair value through other comprehensive income	17	2	14	15
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(79)	24	(30)	(104)
	(108)	91	(24)	(31)
	(90)	51	(14)	(88)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

(unaudited) (millions of Canadian dollars)

	Nine months ended July 31	
	2025	2024
Preferred shares and other equity instruments at beginning (Notes 12 and 19)	3,150	3,150
Issuances of preferred shares, Series 47 and 49 (Note 19)	264	–
Redemption of preferred shares, Series 32, for cancellation	(300)	–
Preferred shares and other equity instruments at end	3,114	3,150
Common shares at beginning (Note 12)	3,463	3,294
Issuances of common shares pursuant to the Stock Option Plan	85	134
Issuances of common shares related to the CWB acquisition (Notes 10 and 19)		
Exchange of common shares	5,290	–
Automatic exchange of subscription receipts	1,040	–
Impact of shares purchased or sold for trading	(13)	14
Common shares at end	9,865	3,442
Contributed surplus at beginning	85	68
Stock option expense (Note 14)	18	13
Stock options exercised	(15)	(15)
Replacement options related to the CWB acquisition (Note 14)	29	–
Other	7	3
Contributed surplus at end	124	69
Retained earnings at beginning	18,633	16,650
Net income attributable to the Bank's shareholders and holders of other equity instruments	2,958	2,862
Dividends on preferred shares and distributions on other equity instruments (Note 12)	(140)	(130)
Dividends on common shares (Note 12)	(1,300)	(1,094)
Issuance expenses for shares, net of income taxes	(10)	–
Remeasurements of pension plans and other post-employment benefit plans	(24)	151
Net gains (losses) on equity securities designated at fair value through other comprehensive income	55	38
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(80)	(270)
Impact of a financial liability resulting from put options written to non-controlling interests	(1)	11
Other	19	16
Retained earnings at end	20,110	18,234
Accumulated other comprehensive income at beginning	219	420
Net foreign currency translation adjustments	(32)	(39)
Net change in unrealized gains (losses) on debt securities at fair value through other comprehensive income	8	32
Net change in gains (losses) on instruments designated as cash flow hedges	(33)	(147)
Accumulated other comprehensive income at end	162	266
Equity attributable to the Bank's shareholders and holders of other equity instruments	33,375	25,161
Non-controlling interests at beginning	–	2
Net income attributable to non-controlling interests	–	(1)
Other	1	–
Non-controlling interests at end	1	1
Equity	33,376	25,162

Accumulated Other Comprehensive Income

	As at July 31, 2025	As at July 31, 2024
Accumulated other comprehensive income		
Net foreign currency translation adjustments	288	268
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	(18)	(3)
Net gains (losses) on instruments designated as cash flow hedges	(110)	(1)
Share in the other comprehensive income of associates and joint ventures	2	2
	162	266

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

(unaudited) (millions of Canadian dollars)

	Nine months ended July 31	
	2025	2024
Cash flows from operating activities		
Net income	2,958	2,861
Adjustments for		
Provisions for credit losses	1,002	407
Amortization of premises and equipment, including right-of-use assets	209	172
Amortization of intangible assets	230	212
Deferred taxes	(61)	(66)
Losses (gains) on sales of non-trading securities, net	(64)	(96)
Share in the net income of associates and joint ventures	(6)	(6)
Stock option expense	18	13
Gain on the fair value remeasurement of an equity interest (Note 18)	(4)	(120)
Change in operating assets and liabilities		
Securities at fair value through profit or loss	(24,581)	(15,999)
Securities purchased under reverse repurchase agreements and securities borrowed	(7,123)	(2,619)
Loans and acceptances, net of securitization	(12,820)	(19,002)
Deposits	35,413	32,414
Obligations related to securities sold short	381	(1,686)
Obligations related to securities sold under repurchase agreements and securities loaned	7,838	3,434
Derivative financial instruments, net	(76)	4,842
Securitization – Credit cards	(49)	–
Interest and dividends receivable and interest payable	262	88
Current tax assets and liabilities	(148)	164
Other items	242	(621)
	3,621	4,392
Cash flows from financing activities		
Redemption of preferred shares for cancellation	(300)	–
Issuances of common shares (including the impact of shares purchased for trading)	57	133
Issuance of subordinated debt	1,750	500
Redemption of subordinated debt	(125)	–
Issuance expenses for shares	(10)	–
Repayments of lease liabilities	(52)	(87)
Dividends paid on shares and distributions on other equity instruments	(1,443)	(1,221)
	(123)	(675)
Cash flows from investing activities		
Net change in investments in associates and joint ventures	(2)	10
Acquisition (Note 19)	148	–
Purchases of non-trading securities	(24,585)	(12,910)
Maturities of non-trading securities	8,952	3,394
Sales of non-trading securities	10,649	3,667
Net change in premises and equipment, excluding right-of-use assets	(168)	(363)
Net change in intangible assets	(150)	(183)
	(5,156)	(6,385)
Impact of currency rate movements on cash and cash equivalents	(330)	(77)
Increase (decrease) in cash and cash equivalents	(1,988)	(2,745)
Cash and cash equivalents at beginning	31,549	35,234
Cash and cash equivalents at end⁽¹⁾	29,561	32,489
Supplementary information about cash flows from operating activities		
Interest paid	12,262	12,400
Interest and dividends received	15,873	14,643
Income taxes paid	754	794

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

- (1) This item represents the balance of *Cash and deposits with financial institutions* in the Consolidated Balance Sheet. It includes an amount of \$16.4 billion as at July 31, 2025 (\$11.7 billion as at October 31, 2024) for which there are restrictions and of which \$6.4 billion (\$6.5 billion as at October 31, 2024) represents the balances that the Bank must maintain with central banks, other regulatory agencies, and certain counterparties.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited) (millions of Canadian dollars)

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Note 1 – Basis of Presentation

On August 26, 2025, the Board of Directors authorized the publication of the Bank's unaudited interim condensed consolidated financial statements (the Consolidated Financial Statements) for the quarter and nine-month period ended July 31, 2025.

The Bank's Consolidated Financial Statements were prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB), using the same accounting policies as those described in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024 except for the addition of the accounting policy for finance leases, described below, resulting from the acquisition of Canadian Western Bank (CWB). As the Consolidated Financial Statements do not include all of the information required for full annual financial statements, they should be read in conjunction with the audited annual consolidated financial statements for the year ended October 31, 2024. The financial results of CWB have been consolidated in the Bank's financial statements as of February 3, 2025 and have been recorded in the Personal and Commercial, Wealth Management and Financial Markets segments and in the *Other* heading of segment disclosures.

Leases

Bank as the lessor

When the Bank is the lessor, the contracts are classified as finance leases if they transfer substantially all of the risks and rewards of ownership of the underlying asset to the lessee, otherwise they are classified as operating leases. For finance leases, a receivable is recorded in *Loans* on the Consolidated Balance Sheet for an amount equal to the net investment in the finance lease, which represents the minimum payments receivable from the lessee plus any unguaranteed residual value expected to be recovered at the end of the lease, discounted at the interest rate implicit in the lease. Finance lease receivables are subsequently recorded at an amount equal to the net investment in the finance lease, net of allowances for expected credit losses. Interest income is recognized over the term of the lease in *Interest income* in the Consolidated Statement of Income. For operating leases, the leased assets remain on the Consolidated Balance Sheet and are reported in *Premises and equipment*, and the rental income is recognized in *Non-interest income* in the Consolidated Statement of Income.

Judgment, Estimates and Assumptions

In preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, management must exercise judgment and make estimates and assumptions that affect the reporting date carrying values of assets and liabilities, net income, and related information. Some of the Bank's accounting policies, such as measurement of expected credit losses (ECLs), require particularly complex judgments and estimates. See Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024 for a summary of the most significant estimation processes used to prepare the Consolidated Financial Statements and for the valuation techniques used to determine the carrying values and fair values of assets and liabilities. In addition, valuation techniques used for assets and liabilities resulting from the CWB acquisition are described below.

The geopolitical landscape, notably the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, the Russia-Ukraine war and clashes between Israel and Hamas, inflation, climate change, and previously high interest rates continue to create uncertainty. As a result, establishing reliable estimates and applying judgment continue to be substantially complex. The uncertainty surrounding certain key inputs used in measuring ECLs is described in Note 6 to these Consolidated Financial Statements.

CWB acquisition – Valuation of Assets and Liabilities

The Bank used significant judgment and assumptions to determine the fair value of the CWB assets acquired and liabilities assumed, including the loan portfolio, core-deposit and customer relationship intangible assets and deposits.

For loans, fair value was determined by discounting the estimated cash flows expected to be received on all purchased loans back to their present value. Management's best estimate of current key assumptions such as default rates, loss severity, timing of prepayment options and collateral was used to estimate expected cash flows. In determining the discount rate, various inputs were considered, including the risk-free interest rates in the current market, the risk premium associated with the loans and the cost to service the portfolios.

For core-deposit intangible assets, fair value was determined using a discounted cash flow approach, comparing the present value of the cost to maintain the acquired core deposits to the cost of alternative funding. The present value of the cost to maintain the acquired core deposits includes an estimate of future interest costs and operating expenses for these acquired deposits. Core deposits are those that are considered to be stable, below-market sources of funding, whereas the present value of the cost of alternative funding includes an estimate of future interest costs that would be incurred if the funds were borrowed from the public market. Deposit run-off was estimated using historical attrition data, comparing this to market sources at the date of acquisition.

The fair value of customer relationships acquired was determined based on the excess of estimated future cash inflows based on revenue from the acquired relationships over the related estimated cash outflows over the estimated useful life of the customer base.

For the deposits, fair value was determined by discounting the estimated cash flows to be repaid, back to their present value. The timing and amount of cash flows involve significant management judgment regarding the likelihood of early redemption and the timing of withdrawal by the customer. Discount rates were based on the prevailing rates that were paid on similar deposits at the date of acquisition.

The fair value of all other assets and liabilities was calculated using market data where possible, as well as management judgment to determine the price that would be obtained in an arms-length transaction between knowledgeable, willing parties.

For additional information, see Note 19 to these Consolidated Financial Statements.

Unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Bank's functional and presentation currency.

Note 2 – Future Accounting Policy Changes

The Bank closely monitors both new accounting standards and amendments to existing accounting standards issued by the IASB. There have been no significant updates to the future accounting policy changes disclosed in Note 3 to the audited annual consolidated financial statements for the year ended October 31, 2024. The Bank is currently assessing the impact of applying these standards on the consolidated financial statements.

Note 3 – Fair Value of Financial Instruments

Fair Value and Carrying Value of Financial Instruments by Category

Financial assets and financial liabilities are recognized on the Consolidated Balance Sheet at fair value or at amortized cost in accordance with the categories set out in the accounting framework for financial instruments.

As at July 31, 2025								
	Financial instruments classified as at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Debt securities classified as at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Carrying value and fair value	Carrying value	Fair value	
					Financial instruments at amortized cost, net	Financial instruments at amortized cost, net		Total carrying value Total fair value
Financial assets								
Cash and deposits with financial institutions	–	–	–	–	29,561	29,561		29,561 29,561
Securities	140,157	359	22,701	325	15,373	15,409		178,915 178,951
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	23,388	23,388		23,388 23,388
Loans, net of allowances	15,253	–	–	–	277,490	280,202		292,743 295,455
Other								
Derivative financial instruments	12,104	–	–	–	–	–		12,104 12,104
Other assets	1,119	–	–	–	3,639	3,639		4,758 4,758
Financial liabilities								
Deposits ⁽¹⁾	–	30,521			371,765	372,738		402,286 403,259
Other								
Obligations related to securities sold short	13,823	–			–	–		13,823 13,823
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			46,031	46,031		46,031 46,031
Derivative financial instruments	15,392	–			–	–		15,392 15,392
Liabilities related to transferred receivables	–	11,487			16,965	17,163		28,452 28,650
Other liabilities	–	–			4,678	4,678		4,678 4,678
Subordinated debt	–	–			3,429	3,471		3,429 3,471

(1) Includes embedded derivative financial instruments.

As at October 31, 2024

	Carrying value and fair value				Carrying value	Fair value		
	Financial instruments classified as at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Debt securities classified as at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Financial instruments at amortized cost, net	Financial instruments at amortized cost, net	Total carrying value	Total fair value
Financial assets								
Cash and deposits with financial institutions	–	–	–	–	31,549	31,549	31,549	31,549
Securities	115,578	357	13,956	666	14,608	14,551	145,165	145,108
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	16,265	16,265	16,265	16,265
Loans, net of allowances	14,972	–	–	–	228,060	229,614	243,032	244,586
Other								
Derivative financial instruments	12,309	–	–	–	–	–	12,309	12,309
Other assets	2,059	–	–	–	3,674	3,674	5,733	5,733
Financial liabilities								
Deposits⁽¹⁾	–	26,190			307,355	307,553	333,545	333,743
Other								
Obligations related to securities sold short	10,873	–			–	–	10,873	10,873
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			38,177	38,177	38,177	38,177
Derivative financial instruments	15,760	–			–	–	15,760	15,760
Liabilities related to transferred receivables	–	11,034			17,343	17,011	28,377	28,045
Other liabilities	–	–			4,114	4,114	4,114	4,114
Subordinated debt	–	–			1,258	1,296	1,258	1,296

(1) Includes embedded derivative financial instruments.

Establishing Fair Value

The fair value of a financial instrument is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price).

Unadjusted quoted prices in active markets provide the best evidence of fair value. When there is no quoted price in an active market, the Bank applies other valuation techniques that maximize the use of relevant observable inputs and that minimize the use of unobservable inputs. Such valuation techniques include the following: using information available from recent market transactions, referring to the current fair value of a comparable financial instrument, applying discounted cash flow analysis, applying option pricing models, or relying on any other valuation technique that is commonly used by market participants and has proven to yield reliable estimates. Judgment is required when applying many of the valuation techniques. The Bank's valuations were based on its assessment of the conditions prevailing as at July 31, 2025 and may change in the future. Furthermore, there may be measurement uncertainty resulting from the choice of valuation model used.

Fair value is established in accordance with a rigorous control framework. The Bank has policies and procedures that govern the process for determining fair value. The Bank's valuation governance structure has remained largely unchanged from that described in Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2024. The valuation techniques used to determine the fair value of financial assets and financial liabilities are also described in this note, and no significant changes have been made to the valuation techniques.

Note 3 – Fair Value of Financial Instruments (cont.)

Financial Instruments Recorded at Fair Value in the Consolidated Balance Sheet

Hierarchy of Fair Value Measurements

IFRS establish a fair value measurement hierarchy that classifies the inputs used in financial instrument fair value measurement techniques according to three levels. This fair value hierarchy requires observable market inputs in an active market to be used whenever such inputs exist. According to the hierarchy, the highest level of inputs are unadjusted quoted prices in active markets for identical instruments and the lowest level of inputs are unobservable inputs. In some cases, the inputs used to measure the fair value of a financial instrument might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For additional information, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Transfers of financial instruments between Levels 1 and 2 and transfers to (or from) Level 3 are deemed to have taken place at the beginning of the quarter in which the transfer occurred. Significant transfers can occur between the fair value hierarchy levels due to new information on inputs used to determine fair value and the observable nature of those inputs.

During the quarter ended July 31, 2025, \$4 million in securities classified as at fair value through profit or loss were transferred from Level 2 to Level 1 as a result of changing market conditions (\$2 million in securities classified as at fair value through profit or loss during the quarter ended July 31, 2024). Also, during the quarter ended July 31, 2025, \$30 million in securities classified as at fair value through profit or loss and \$2 million in obligations related to securities sold short were transferred from Level 1 to Level 2 as a result of changing market conditions (\$11 million in securities classified as at fair value through profit or loss during the quarter ended July 31, 2024). During the nine-month periods ended July 31, 2025 and 2024, financial instruments were transferred to (or from) Level 3 due to changes in the availability of observable market inputs as a result of changing market conditions.

The following tables show financial instruments recorded at fair value on the Consolidated Balance Sheet according to the fair value hierarchy.

				As at July 31, 2025
	Level 1	Level 2	Level 3	Total financial assets/liabilities at fair value
Financial assets				
Securities				
At fair value through profit or loss				
Securities issued or guaranteed by				
Canadian government	4,900	11,313	–	16,213
Canadian provincial and municipal governments	–	7,949	–	7,949
U.S. Treasury, other U.S. agencies and other foreign governments	1,045	1,955	–	3,000
Other debt securities	–	3,404	75	3,479
Equity securities	106,840	2,253	782	109,875
	112,785	26,874	857	140,516
At fair value through other comprehensive income				
Securities issued or guaranteed by				
Canadian government	1,845	5,561	–	7,406
Canadian provincial and municipal governments	–	4,323	–	4,323
U.S. Treasury, other U.S. agencies and other foreign governments	9,538	483	–	10,021
Other debt securities	–	951	–	951
Equity securities	–	254	71	325
	11,383	11,572	71	23,026
Loans	–	15,017	236	15,253
Other				
Derivative financial instruments	1,423	10,574	107	12,104
Other assets – Other items	–	1,055	64	1,119
	125,591	65,092	1,335	192,018
Financial liabilities				
Deposits⁽¹⁾	–	36,174	–	36,174
Other				
Obligations related to securities sold short	6,719	7,104	–	13,823
Derivative financial instruments	1,165	14,190	37	15,392
Liabilities related to transferred receivables	–	11,487	–	11,487
	7,884	68,955	37	76,876

(1) The amounts include the fair value of embedded derivative financial instruments.

As at October 31, 2024

	Level 1	Level 2	Level 3	Total financial assets/liabilities at fair value
Financial assets				
Securities				
At fair value through profit or loss				
Securities issued or guaranteed by				
Canadian government	4,150	10,330	–	14,480
Canadian provincial and municipal governments	–	8,473	–	8,473
U.S. Treasury, other U.S. agencies and other foreign governments	1,169	1,046	–	2,215
Other debt securities	–	3,030	60	3,090
Equity securities	85,414	1,655	608	87,677
	90,733	24,534	668	115,935
At fair value through other comprehensive income				
Securities issued or guaranteed by				
Canadian government	170	5,048	–	5,218
Canadian provincial and municipal governments	–	2,900	–	2,900
U.S. Treasury, other U.S. agencies and other foreign governments	4,805	186	–	4,991
Other debt securities	–	847	–	847
Equity securities	–	359	307	666
	4,975	9,340	307	14,622
Loans	–	14,767	205	14,972
Other				
Derivative financial instruments	1,139	11,073	97	12,309
Other assets – Other items	–	1,976	83	2,059
	96,847	61,690	1,360	159,897
Financial liabilities				
Deposits⁽¹⁾	–	30,434	–	30,434
Other				
Obligations related to securities sold short	6,052	4,821	–	10,873
Derivative financial instruments	1,976	13,758	26	15,760
Liabilities related to transferred receivables	–	11,034	–	11,034
	8,028	60,047	26	68,101

(1) The amounts include the fair value of embedded derivative financial instruments.

Financial Instruments Classified in Level 3

The Bank classifies financial instruments in Level 3 when the valuation technique is based on at least one significant input that is not observable in the markets. The Bank maximizes the use of observable inputs to determine the fair value of financial instruments.

For a description of the valuation techniques and significant unobservable inputs used in determining the fair value of financial instruments classified in Level 3, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2024. For the quarter and nine-month period ended July 31, 2025, no significant change was made to the valuation techniques and significant unobservable inputs used in determining fair value.

Sensitivity Analysis of Financial Instruments Classified in Level 3

The Bank performs sensitivity analyses for the fair value measurements of Level 3 financial instruments, substituting unobservable inputs with one or more reasonably possible alternative assumptions. For additional information on how a change in an unobservable input might affect the fair value measurements of Level 3 financial instruments, see Note 4 to the audited annual consolidated financial statements for the year ended October 31, 2024. For the nine-month period ended July 31, 2025, there were no significant changes in the sensitivity analyses of Level 3 financial instruments.

Note 3 – Fair Value of Financial Instruments (cont.)

Change in the Fair Value of Financial Instruments Classified in Level 3

The Bank may hedge the fair value of financial instruments classified in the various levels through offsetting hedge positions. Gains and losses on financial instruments classified in Level 3 presented in the following tables do not reflect the inverse gains and losses on financial instruments used for economic hedging purposes that may have been classified in Level 1 or Level 2 by the Bank. In addition, the Bank may hedge the fair value of financial instruments classified in Level 3 using other financial instruments classified in Level 3. The effect of these hedges is not included in the net amount presented in the following tables. The gains and losses presented hereafter may comprise changes in fair value based on observable and unobservable inputs.

	Nine months ended July 31, 2025			
	Securities at fair value through profit or loss	Securities at fair value through other comprehensive income	Loans and other assets	Derivative financial instruments ⁽¹⁾
Fair value as at October 31, 2024	668	307	288	71
Total realized and unrealized gains (losses) included in <i>Net income</i> ⁽²⁾	81	–	10	26
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	25	–	–
Purchases	528	15	3	–
Sales	(420)	(276)	(24)	–
Issuances	–	–	69	–
Settlements and other	–	–	(46)	(26)
Financial instruments transferred into Level 3	–	–	–	(4)
Financial instruments transferred out of Level 3	–	–	–	3
Fair value as at July 31, 2025	857	71	300	70
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at July 31, 2025 ⁽³⁾	29	–	–	26

	Nine months ended July 31, 2024			
	Securities at fair value through profit or loss	Securities at fair value through other comprehensive income	Loans and other assets	Derivative financial instruments ⁽¹⁾
Fair value as at October 31, 2023	551	378	290	(15)
Total realized and unrealized gains (losses) included in <i>Net income</i> ⁽⁴⁾	58	–	14	(23)
Total realized and unrealized gains (losses) included in <i>Other comprehensive income</i>	–	(3)	–	–
Purchases	55	–	–	–
Sales	(21)	(72)	(2)	–
Issuances	–	–	15	–
Settlements and other	–	–	(42)	198
Financial instruments transferred into Level 3	–	–	–	(1)
Financial instruments transferred out of Level 3	–	–	–	5
Fair value as at July 31, 2024	643	303	275	164
Change in unrealized gains and losses included in <i>Net income</i> with respect to financial assets and financial liabilities held as at July 31, 2024 ⁽⁵⁾	100	–	14	(23)

- (1) The derivative financial instruments include assets and liabilities presented on a net basis.
- (2) Total gains (losses) included in *Non-interest income* was a gain of \$117 million.
- (3) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of \$55 million.
- (4) Total gains (losses) included in *Non-interest income* was a gain of \$49 million.
- (5) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of \$91 million.

Note 4 – Financial Instruments Designated at Fair Value Through Profit or Loss

The Bank chose to designate certain financial instruments at fair value through profit or loss according to the criteria presented in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2024. Consistent with its risk management strategy and in accordance with the fair value option, which permits the designation if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring financial assets or financial liabilities or recognizing the gains and losses thereon on different bases, the Bank designated certain securities and certain liabilities related to transferred receivables at fair value through profit or loss. The fair value of liabilities related to transferred receivables does not include credit risk, as the holders of these liabilities are not exposed to the Bank's credit risk. The Bank also designated certain deposits that include embedded derivative financial instruments at fair value through profit or loss.

To determine a change in fair value arising from a change in the credit risk of deposits designated at fair value through profit or loss, the Bank calculates, at the beginning of the period, the present value of the instrument's contractual cash flows using the following rates: first, an observed discount rate for similar securities that reflects the Bank's credit spread and, then, a rate that excludes the Bank's credit spread. The difference obtained between the two values is then compared to the difference obtained using the same rates at the end of the period.

Information about the financial assets and financial liabilities designated at fair value through profit or loss is provided in the following tables.

	Carrying value as at July 31, 2025	Unrealized gains (losses) for the quarter ended July 31, 2025	Unrealized gains (losses) for the nine months ended July 31, 2025	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	359	(4)	–	8
Financial liabilities designated at fair value through profit or loss				
Deposits ⁽¹⁾⁽²⁾	30,521	(1,036)	(961)	1,012
Liabilities related to transferred receivables	11,487	92	(42)	56
	42,008	(944)	(1,003)	1,068

	Carrying value as at July 31, 2024	Unrealized gains (losses) for the quarter ended July 31, 2024	Unrealized gains (losses) for the nine months ended July 31, 2024	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	427	11	12	6
Financial liabilities designated at fair value through profit or loss				
Deposits ⁽¹⁾⁽²⁾	25,207	(790)	(2,386)	1,490
Liabilities related to transferred receivables	10,063	(215)	(299)	226
	35,270	(1,005)	(2,685)	1,716

(1) For the quarter ended July 31, 2025, the change in the fair value of deposits designated at fair value through profit or loss attributable to credit risk, and recorded in *Other comprehensive income*, resulted in a loss of \$286 million (\$87 million gain for the quarter ended July 31, 2024). For the nine-month period ended July 31, 2025, this change resulted in a loss of \$110 million (\$374 million loss for the nine-month period ended July 31, 2024).

(2) The amount at maturity that the Bank will be contractually required to pay to the holders of these deposits varies and will differ from the reporting date fair value.

Note 5 – Securities

Credit Quality

As at July 31, 2025 and as at October 31, 2024, securities at fair value through other comprehensive income and securities at amortized cost were mainly classified in Stage 1, with their credit quality falling mostly in the “Excellent” category according to the Bank’s internal risk-rating categories. For additional information on the reconciliation of allowances for credit losses, see Note 6 to these Consolidated Financial Statements.

Unrealized Gross Gains (Losses) on Securities at Fair Value Through Other Comprehensive Income⁽¹⁾

	As at July 31, 2025			
	Amortized cost	Unrealized gross gains	Unrealized gross losses	Carrying value ⁽²⁾
Securities issued or guaranteed by				
Canadian government	7,337	94	(25)	7,406
Canadian provincial and municipal governments	4,352	36	(65)	4,323
U.S. Treasury, other U.S. agencies and other foreign governments	9,937	100	(16)	10,021
Other debt securities	979	4	(32)	951
Equity securities	272	53	–	325
	22,877	287	(138)	23,026

	As at October 31, 2024			
	Amortized cost	Unrealized gross gains	Unrealized gross losses	Carrying value ⁽²⁾
Securities issued or guaranteed by				
Canadian government	5,166	96	(44)	5,218
Canadian provincial and municipal governments	2,894	45	(39)	2,900
U.S. Treasury, other U.S. agencies and other foreign governments	4,986	37	(32)	4,991
Other debt securities	888	3	(44)	847
Equity securities	591	77	(2)	666
	14,525	258	(161)	14,622

(1) Excludes the impact of hedging.

(2) The allowances for credit losses on securities at fair value through other comprehensive income (excluding equity securities), representing \$4 million as at July 31, 2025 (\$3 million as at October 31, 2024), are reported in *Other comprehensive income*. For additional information, see Note 6 to these Consolidated Financial Statements.

Equity Securities Designated at Fair Value Through Other Comprehensive Income

The Bank designated certain equity securities, the main business objective of which is to generate dividend income, at fair value through other comprehensive income without subsequent reclassification of gains and losses to net income. During the nine-month period ended July 31, 2025, a dividend income amount of \$27 million was recognized for these investments (\$34 million for the nine-month period ended July 31, 2024), including amounts of \$17 million for investments that were sold during the nine-month period ended July 31, 2025 (\$3 million for investments that were sold during the nine-month period ended July 31, 2024).

	Nine months ended July 31, 2025			Nine months ended July 31, 2024		
	Equity securities of private companies	Equity securities of public companies	Total	Equity securities of private companies	Equity securities of public companies	Total
Fair value at beginning	307	359	666	378	281	659
Change in fair value	25	44	69	(3)	56	53
Designated at fair value through other comprehensive income	15	89	104	–	144	144
Sales ⁽¹⁾	(276)	(238)	(514)	(72)	(153)	(225)
Fair value at end	71	254	325	303	328	631

(1) The Bank disposed of private and public company equity securities for economic reasons.

Securities at Amortized Cost

	As at July 31, 2025	As at October 31, 2024
Securities issued or guaranteed by		
Canadian government	9,379	9,194
Canadian provincial and municipal governments	3,959	2,458
U.S. Treasury, other U.S. agencies and other foreign governments	283	687
Other debt securities	1,764	2,275
Gross carrying value	15,385	14,614
Allowances for credit losses	12	6
Carrying value	15,373	14,608

Gains (Losses) on Disposals of Securities at Amortized Cost

During the nine-month periods ended July 31, 2025 and 2024, the Bank disposed of certain debt securities measured at amortized cost. The carrying value of these securities upon disposal was \$305 million for the nine-month period ended July 31, 2025 (\$180 million for the nine-month period ended July 31, 2024), and the Bank recognized gains of \$2 million for the nine-month period ended July 31, 2025 (\$1 million for the nine-month period ended July 31, 2024) in *Non-interest income – Gains (losses) on non-trading securities, net* in the Consolidated Statement of Income.

Note 6 – Loans and Allowances for Credit Losses

Determining and Measuring Expected Credit Losses (ECL)

Determining Expected Credit Losses

Expected credit losses are determined using a three-stage impairment approach that is based on the change in the credit quality of financial assets since initial recognition.

Non-Impaired Loans

Stage 1

Financial assets that have experienced no significant increase in credit risk between initial recognition and the reporting date, and for which 12-month expected credit losses are recorded at the reporting date, are classified in Stage 1.

Stage 2

Financial assets that have experienced a significant increase in credit risk between initial recognition and the reporting date, and for which lifetime expected credit losses are recorded at the reporting date, are classified in Stage 2.

Impaired Loans

Stage 3

Financial assets for which there is objective evidence of impairment, for which one or more events have had a detrimental impact on the estimated future cash flows of these financial assets at the reporting date, and for which lifetime expected credit losses are recorded, are classified in Stage 3.

POCI

Financial assets that are credit-impaired when purchased or originated (POCI) are classified in the POCI category.

For additional information, see Notes 1 and 8 to the audited annual consolidated financial statements for the year ended October 31, 2024.

Credit Quality of Loans

The following tables present the gross carrying amounts of loans as at July 31, 2025 and as at October 31, 2024, according to credit quality and ECL impairment stage of each loan category at amortized cost, and according to credit quality for loans at fair value through profit or loss. For additional information on credit quality according to the Internal Ratings-Based (IRB) categories, see the Internal Default Risk Ratings table on page 81 in the Credit Risk section of the *2024 Annual Report*.

Note 6 – Loans and Allowances for Credit Losses (cont.)

					As at July 31, 2025
	Non-impaired loans		Impaired loans	Loans at fair value through profit or loss ⁽¹⁾	Total
	Stage 1	Stage 2			
Residential mortgage					
Excellent	36,783	7	–	–	36,790
Good	18,144	135	–	–	18,279
Satisfactory	15,085	3,417	–	–	18,502
Special mention	434	795	–	–	1,229
Substandard	86	260	–	–	346
Default	–	–	185	–	185
IRB Approach	70,532	4,614	185	–	75,331
Standardized Approach	20,691	712	925	13,666	35,994
Gross carrying amount	91,223	5,326	1,110	13,666	111,325
Allowances for credit losses ⁽²⁾	85	76	82	–	243
Carrying amount	91,138	5,250	1,028	13,666	111,082
Personal					
Excellent	22,602	34	–	–	22,636
Good	7,868	1,045	–	–	8,913
Satisfactory	7,869	1,870	–	–	9,739
Special mention	2,051	800	–	–	2,851
Substandard	49	296	–	–	345
Default	–	–	247	–	247
IRB Approach	40,439	4,045	247	–	44,731
Standardized Approach	3,769	94	196	–	4,059
Gross carrying amount	44,208	4,139	443	–	48,790
Allowances for credit losses ⁽²⁾	109	143	182	–	434
Carrying amount	44,099	3,996	261	–	48,356
Credit card					
Excellent	333	–	–	–	333
Good	475	–	–	–	475
Satisfactory	888	25	–	–	913
Special mention	553	263	–	–	816
Substandard	44	144	–	–	188
Default	–	–	–	–	–
IRB Approach	2,293	432	–	–	2,725
Standardized Approach	167	5	–	–	172
Gross carrying amount	2,460	437	–	–	2,897
Allowances for credit losses ⁽²⁾	43	121	–	–	164
Carrying amount	2,417	316	–	–	2,733
Business and government					
Excellent	5,008	–	–	1,401	6,409
Good	28,800	2	–	19	28,821
Satisfactory	39,002	13,349	–	147	52,498
Special mention	268	1,630	–	–	1,898
Substandard	1	656	1	–	658
Default	–	–	795	–	795
IRB Approach	73,079	15,637	796	1,567	91,079
Standardized Approach	35,373	4,302	941	20	40,636
Gross carrying amount	108,452	19,939	1,737	1,587	131,715
Allowances for credit losses ⁽²⁾	343	362	438	–	1,143
Carrying amount	108,109	19,577	1,299	1,587	130,572
Total loans					
Gross carrying amount	246,343	29,841	3,290	15,253	294,727
Allowances for credit losses ⁽²⁾	580	702	702	–	1,984
Carrying amount	245,763	29,139	2,588	15,253	292,743

(1) Not subject to expected credit losses.

(2) The allowances for credit losses do not include the amounts related to undrawn commitments reported in the *Other liabilities* item of the Consolidated Balance Sheet.

As at October 31, 2024

	Non-impaired loans		Impaired loans	Loans at fair value through profit or loss ⁽¹⁾	Total
	Stage 1	Stage 2			
Residential mortgage					
Excellent	33,651	16	–	–	33,667
Good	17,063	241	–	–	17,304
Satisfactory	12,634	4,209	–	–	16,843
Special mention	358	800	–	–	1,158
Substandard	70	300	–	–	370
Default	–	–	118	–	118
IRB Approach	63,776	5,566	118	–	69,460
Standardized Approach	11,350	266	741	13,192	25,549
Gross carrying amount	75,126	5,832	859	13,192	95,009
Allowances for credit losses ⁽²⁾	62	85	50	–	197
Carrying amount	75,064	5,747	809	13,192	94,812
Personal					
Excellent	21,702	274	–	–	21,976
Good	6,686	1,618	–	–	8,304
Satisfactory	6,959	2,247	–	–	9,206
Special mention	2,111	845	–	–	2,956
Substandard	53	279	–	–	332
Default	–	–	226	–	226
IRB Approach	37,511	5,263	226	–	43,000
Standardized Approach	3,580	84	219	–	3,883
Gross carrying amount	41,091	5,347	445	–	46,883
Allowances for credit losses ⁽²⁾	102	123	135	–	360
Carrying amount	40,989	5,224	310	–	46,523
Credit card					
Excellent	551	–	–	–	551
Good	399	–	–	–	399
Satisfactory	729	28	–	–	757
Special mention	484	211	–	–	695
Substandard	69	149	–	–	218
Default	–	–	–	–	–
IRB Approach	2,232	388	–	–	2,620
Standardized Approach	141	–	–	–	141
Gross carrying amount	2,373	388	–	–	2,761
Allowances for credit losses ⁽²⁾	42	114	–	–	156
Carrying amount	2,331	274	–	–	2,605
Business and government					
Excellent	7,743	–	–	1,486	9,229
Good	27,950	7	–	53	28,010
Satisfactory	34,626	11,381	–	147	46,154
Special mention	255	1,770	–	–	2,025
Substandard	2	481	2	–	485
Default	–	–	565	–	565
IRB Approach	70,576	13,639	567	1,686	86,468
Standardized Approach	12,879	107	172	94	13,252
Gross carrying amount	83,455	13,746	739	1,780	99,720
Allowances for credit losses ⁽²⁾	218	181	229	–	628
Carrying amount	83,237	13,565	510	1,780	99,092
Total loans					
Gross carrying amount	202,045	25,313	2,043	14,972	244,373
Allowances for credit losses ⁽²⁾	424	503	414	–	1,341
Carrying amount	201,621	24,810	1,629	14,972	243,032

(1) Not subject to expected credit losses.

(2) The allowances for credit losses do not include the amounts related to undrawn commitments reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

The following table presents the credit risk exposures of off-balance-sheet commitments as at July 31, 2025 and as at October 31, 2024 according to credit quality and ECL impairment stage.

	As at July 31, 2025				As at October 31, 2024			
	Stage 1	Stage 2	Impaired	Total	Stage 1	Stage 2	Impaired	Total
Off-balance-sheet commitments⁽¹⁾								
Retail								
Excellent	16,176	20	–	16,196	16,159	113	–	16,272
Good	4,975	343	–	5,318	3,492	415	–	3,907
Satisfactory	1,749	245	–	1,994	1,095	249	–	1,344
Special mention	437	131	–	568	381	112	–	493
Substandard	21	43	–	64	30	35	–	65
Default	–	–	2	2	–	–	1	1
Non-retail								
Excellent	13,675	–	–	13,675	13,071	–	–	13,071
Good	22,825	2	–	22,827	22,547	–	–	22,547
Satisfactory	16,481	8,144	–	24,625	15,513	6,351	–	21,864
Special mention	22	195	–	217	24	278	–	302
Substandard	46	122	–	168	2	52	–	54
Default	–	–	42	42	–	–	27	27
IRB Approach	76,407	9,245	44	85,696	72,314	7,605	28	79,947
Standardized Approach	28,587	653	103	29,343	18,968	–	–	18,968
Total exposure	104,994	9,898	147	115,039	91,282	7,605	28	98,915
Allowances for credit losses	178	93	1	272	142	72	–	214
Total exposure, net of allowances	104,816	9,805	146	114,767	91,140	7,533	28	98,701

(1) Represent letters of guarantee and documentary letters of credit, undrawn commitments, and backstop liquidity and credit enhancement facilities.

Loans Past Due But Not Impaired⁽¹⁾

	As at July 31, 2025				As at October 31, 2024			
	Residential mortgage	Personal	Credit card	Business and government	Residential mortgage	Personal	Credit card	Business and government
Past due but not impaired								
31 to 60 days	290	139	30	312	179	121	30	76
61 to 90 days	126	44	16	88	82	48	14	33
Over 90 days ⁽²⁾	–	–	39	–	–	–	35	–
	416	183	85	400	261	169	79	109

(1) Loans less than 31 days past due are not presented as they are not considered past due from an administrative standpoint.

(2) All loans more than 90 days past due, except for credit card receivables, are considered impaired (Stage 3).

Impaired Loans

	As at July 31, 2025			As at October 31, 2024		
	Gross	Allowances for credit losses	Net	Gross	Allowances for credit losses	Net
Residential mortgage	1,110	82	1,028	859	50	809
Personal	443	182	261	445	135	310
Credit card ⁽¹⁾	–	–	–	–	–	–
Business and government	1,737	438	1,299	739	229	510
	3,290	702	2,588	2,043	414	1,629

(1) Credit card receivables are considered impaired, at the latest, when payment is 180 days past due, and they are written off at that time.

Allowances for Credit Losses

The following tables present a reconciliation of the allowances for credit losses by Consolidated Balance Sheet item and by type of off-balance-sheet commitment.

	Quarter ended July 31, 2025					Allowances for credit losses as at July 31, 2025
	Allowances for credit losses as at April 30, 2025	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	9	4	–	–	–	13
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	1	–	–	–	4
At amortized cost ⁽²⁾	6	6	–	–	–	12
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	249	(3)	(5)	–	2	243
Personal	408	66	(43)	–	3	434
Credit card	165	26	(32)	–	5	164
Business and government	1,116	84	(93)	–	36	1,143
	1,938	173	(173)	–	46	1,984
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	23	3	–	–	–	26
Undrawn commitments	224	16	–	–	–	240
Backstop liquidity and credit enhancement facilities	6	–	–	–	–	6
	253	19	–	–	–	272
	2,209	203	(173)	–	46	2,285

	Quarter ended July 31, 2024					Allowances for credit losses as at July 31, 2024
	Allowances for credit losses as at April 30, 2024	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	8	1	–	–	–	9
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	–	–	–	–	3
At amortized cost ⁽²⁾	3	–	–	–	–	3
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	172	4	(1)	–	–	175
Personal	321	49	(33)	–	4	341
Credit card	143	29	(29)	–	5	148
Business and government	535	96	(4)	–	2	629
Customers' liability under acceptances	40	(38)	–	–	–	2
	1,211	140	(67)	–	11	1,295
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	18	1	–	–	–	19
Undrawn commitments	172	7	–	–	–	179
Backstop liquidity and credit enhancement facilities	6	–	–	–	–	6
	196	8	–	–	–	204
	1,421	149	(67)	–	11	1,514

(1) The contractual amount outstanding on financial assets that were written off during the quarter ended July 31, 2025 and that are still subject to enforcement activity was \$63 million (\$45 million for the quarter ended July 31, 2024).

(2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.

(3) As at July 31, 2025 and 2024, these financial assets were mainly classified in Stage 1 and their credit quality fell mostly within the *Excellent* category.

(4) The allowances for credit losses are reported in the *Accumulated other comprehensive income* item of the Consolidated Balance Sheet.

(5) The allowances for credit losses are reported in the *Allowances for credit losses* item of the Consolidated Balance Sheet.

(6) The allowances for credit losses are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

	Nine months ended July 31, 2025					Allowances for credit losses as at July 31, 2025
	Allowances for credit losses as at October 31, 2024	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	9	4	–	–	–	13
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	1	–	–	–	4
At amortized cost ⁽²⁾	6	6	–	–	–	12
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	197	57	(14)	–	3	243
Personal	360	189	(123)	–	8	434
Credit card	156	88	(95)	–	15	164
Business and government	628	599	(154)	–	70	1,143
	1,341	933	(386)	–	96	1,984
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	21	5	–	–	–	26
Undrawn commitments	188	52	–	–	–	240
Backstop liquidity and credit enhancement facilities	5	1	–	–	–	6
	214	58	–	–	–	272
	1,573	1,002	(386)	–	96	2,285

	Nine months ended July 31, 2024					Allowances for credit losses as at July 31, 2024
	Allowances for credit losses as at October 31, 2023	Provisions for credit losses	Write-offs ⁽¹⁾	Disposals	Recoveries and other	
Balance sheet						
Cash and deposits with financial institutions⁽²⁾⁽³⁾	10	(1)	–	–	–	9
Securities⁽³⁾						
At fair value through other comprehensive income ⁽⁴⁾	3	–	–	–	–	3
At amortized cost ⁽²⁾	4	(1)	–	–	–	3
Securities purchased under reverse repurchase agreements and securities borrowed⁽²⁾⁽³⁾	–	–	–	–	–	–
Loans⁽⁵⁾						
Residential mortgage	154	25	(2)	(2)	–	175
Personal	271	146	(86)	–	10	341
Credit card	139	79	(82)	–	12	148
Business and government	567	182	(137)	–	17	629
Customers' liability under acceptances	53	(51)	–	–	–	2
	1,184	381	(307)	(2)	39	1,295
Other assets⁽²⁾⁽³⁾	–	–	–	–	–	–
Off-balance-sheet commitments⁽⁶⁾						
Letters of guarantee and documentary letters of credit	16	3	–	–	–	19
Undrawn commitments	152	27	–	–	–	179
Backstop liquidity and credit enhancement facilities	8	(2)	–	–	–	6
	176	28	–	–	–	204
	1,377	407	(307)	(2)	39	1,514

- (1) The contractual amount outstanding on financial assets that were written off during the nine-month period ended July 31, 2025 and that are still subject to enforcement activity was \$177 million (\$121 million for the nine-month period ended July 31, 2024).
- (2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.
- (3) As at July 31, 2025 and 2024, these financial assets were mainly classified in Stage 1 and their credit quality fell mostly within the *Excellent* category.
- (4) The allowances for credit losses are reported in the *Accumulated other comprehensive income* item of the Consolidated Balance Sheet.
- (5) The allowances for credit losses are reported in the *Allowances for credit losses* item of the Consolidated Balance Sheet.
- (6) The allowances for credit losses are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

The following tables present a reconciliation of allowances for credit losses for each loan category at amortized cost according to ECL impairment stage.

	Quarter ended July 31, 2025				Quarter ended July 31, 2024			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Residential mortgage								
Balance at beginning	81	88	80	249	70	87	15	172
Originations or purchases	4	–	–	4	4	–	–	4
Transfers ⁽²⁾ :								
to Stage 1	29	(17)	(12)	–	15	(13)	(2)	–
to Stage 2	(1)	7	(6)	–	(2)	9	(7)	–
to Stage 3	–	(3)	3	–	–	(5)	5	–
Net remeasurement of loss allowances ⁽³⁾	(28)	3	24	(1)	(23)	12	17	6
Derecognitions ⁽⁴⁾	–	(2)	(4)	(6)	(2)	(2)	(2)	(6)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	4	(12)	5	(3)	(8)	1	11	4
Write-offs	–	–	(5)	(5)	–	–	(1)	(1)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	2	2	–	–	1	1
Foreign exchange movements and other	–	–	–	–	–	–	(1)	(1)
Balance at end	85	76	82	243	62	88	25	175
Includes:								
Amounts drawn	85	76	82	243	62	88	25	175
Undrawn commitments ⁽⁵⁾	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	112	140	169	421	97	128	107	332
Originations or purchases	13	–	–	13	13	–	–	13
Transfers ⁽²⁾ :								
to Stage 1	24	(22)	(2)	–	32	(29)	(3)	–
to Stage 2	(8)	10	(2)	–	(7)	9	(2)	–
to Stage 3	(1)	(20)	21	–	–	(19)	19	–
Net remeasurement of loss allowances ⁽³⁾	(24)	44	38	58	(35)	46	33	44
Derecognitions ⁽⁴⁾	(2)	(4)	(1)	(7)	(3)	(3)	(2)	(8)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	2	8	54	64	–	4	45	49
Write-offs	–	–	(43)	(43)	–	–	(33)	(33)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	4	4	–	–	4	4
Foreign exchange movements and other	1	–	(2)	(1)	–	1	(1)	–
Balance at end	115	148	182	445	97	133	122	352
Includes:								
Amounts drawn	109	143	182	434	91	128	122	341
Undrawn commitments ⁽⁵⁾	6	5	–	11	6	5	–	11

(1) No POCI loans were acquired during the quarters ended July 31, 2025 and July 31, 2024.

(2) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(3) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(4) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).

(5) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

	Quarter ended July 31, 2025				Quarter ended July 31, 2024			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Credit card								
Balance at beginning	71	162	–	233	58	131	–	189
Originations or purchases	4	–	–	4	3	–	–	3
Transfers ⁽²⁾ :								
to Stage 1	36	(36)	–	–	30	(30)	–	–
to Stage 2	(5)	5	–	–	(5)	5	–	–
to Stage 3	–	(19)	19	–	–	(12)	12	–
Net remeasurement of loss allowances ⁽³⁾	(28)	46	8	26	(25)	38	12	25
Derecognitions ⁽⁴⁾	–	(1)	–	(1)	(1)	–	–	(1)
Changes to models	–	–	–	–	2	4	–	6
Provisions for credit losses	7	(5)	27	29	4	5	24	33
Write-offs	–	–	(32)	(32)	–	–	(29)	(29)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	5	5	–	–	5	5
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	78	157	–	235	62	136	–	198
Includes:								
Amounts drawn	43	121	–	164	37	111	–	148
Undrawn commitments ⁽⁵⁾	35	36	–	71	25	25	–	50
Business and government								
Balance at beginning	436	393	430	1,259	287	221	182	690
Originations or purchases	66	–	–	66	39	–	–	39
Transfers ⁽²⁾ :								
to Stage 1	21	(21)	–	–	25	(24)	(1)	–
to Stage 2	(34)	42	(8)	–	(17)	18	(1)	–
to Stage 3	–	(2)	2	–	(1)	(1)	2	–
Net remeasurement of loss allowances ⁽³⁾	(7)	18	82	93	(19)	14	46	41
Derecognitions ⁽⁴⁾	(26)	(24)	(10)	(60)	(10)	(7)	(2)	(19)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	20	13	66	99	17	–	44	61
Write-offs	–	–	(93)	(93)	–	–	(4)	(4)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	37	37	–	–	2	2
Foreign exchange movements and other	–	–	(1)	(1)	1	–	(1)	–
Balance at end	456	406	439	1,301	305	221	223	749
Includes:								
Amounts drawn	343	362	438	1,143	213	195	223	631
Undrawn commitments ⁽⁵⁾	113	44	1	158	92	26	–	118
Total allowances for credit losses at end⁽⁶⁾	734	787	703	2,224	526	578	370	1,474
Includes:								
Amounts drawn	580	702	702	1,984	403	522	370	1,295
Undrawn commitments ⁽⁵⁾	154	85	1	240	123	56	–	179

(1) No POCI loans were acquired during the quarters ended July 31, 2025 and July 31, 2024.

(2) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(3) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(4) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).

(5) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

(6) Excludes allowances for credit losses on other financial assets at amortized cost and on off-balance sheet commitments other than undrawn commitments.

	Nine months ended July 31, 2025				Nine months ended July 31, 2024			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Residential mortgage								
Balance at beginning	62	85	50	197	69	93	(8)	154
Originations or purchases ⁽²⁾	23	–	–	23	10	–	–	10
Transfers ⁽³⁾ :								
to Stage 1	53	(39)	(14)	–	47	(41)	(6)	–
to Stage 2	(5)	21	(16)	–	(7)	23	(16)	–
to Stage 3	–	(12)	12	–	–	(22)	22	–
Net remeasurement of loss allowances ⁽⁴⁾	(47)	25	70	48	(47)	52	35	40
Derecognitions ⁽⁵⁾	(2)	(4)	(8)	(14)	(6)	(5)	(8)	(19)
Changes to models	–	–	–	–	(2)	(12)	8	(6)
Provisions for credit losses	22	(9)	44	57	(5)	(5)	35	25
Write-offs	–	–	(14)	(14)	–	–	(2)	(2)
Disposals	–	–	–	–	(2)	–	–	(2)
Recoveries	–	–	5	5	–	–	1	1
Foreign exchange movements and other	1	–	(3)	(2)	–	–	(1)	(1)
Balance at end	85	76	82	243	62	88	25	175
Includes:								
Amounts drawn	85	76	82	243	62	88	25	175
Undrawn commitments ⁽⁶⁾	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	107	127	135	369	95	114	72	281
Originations or purchases	33	–	–	33	26	–	–	26
Transfers ⁽³⁾ :								
to Stage 1	76	(68)	(8)	–	75	(67)	(8)	–
to Stage 2	(29)	34	(5)	–	(19)	24	(5)	–
to Stage 3	(1)	(64)	65	–	(1)	(56)	57	–
Net remeasurement of loss allowances ⁽⁴⁾	(65)	129	115	179	(71)	129	83	141
Derecognitions ⁽⁵⁾	(6)	(10)	(5)	(21)	(8)	(10)	(4)	(22)
Changes to models	–	–	–	–	–	(1)	3	2
Provisions for credit losses	8	21	162	191	2	19	126	147
Write-offs	–	–	(123)	(123)	–	–	(86)	(86)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	13	13	–	–	12	12
Foreign exchange movements and other	–	–	(5)	(5)	–	–	(2)	(2)
Balance at end	115	148	182	445	97	133	122	352
Includes:								
Amounts drawn	109	143	182	434	91	128	122	341
Undrawn commitments ⁽⁶⁾	6	5	–	11	6	5	–	11

- (1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the nine-month period ended July 31, 2025 was \$379 million (no POCI loans had been acquired during the nine-month period ended July 31, 2024). The expected credit losses reflected in the purchase price have been discounted.
- (2) Include allowances for credit losses on impaired loans acquired from CWB. For additional information, see Note 19.
- (3) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.
- (4) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.
- (5) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).
- (6) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

Note 6 – Loans and Allowances for Credit Losses (cont.)

	Nine months ended July 31, 2025				Nine months ended July 31, 2024			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans ⁽¹⁾	Total
	Stage 1	Stage 2			Stage 1	Stage 2		
Credit card								
Balance at beginning	70	141	–	211	59	127	–	186
Originations or purchases ⁽²⁾	12	–	–	12	8	–	–	8
Transfers ⁽³⁾ :								
to Stage 1	98	(98)	–	–	85	(85)	–	–
to Stage 2	(18)	18	–	–	(15)	15	–	–
to Stage 3	–	(47)	47	–	(1)	(33)	34	–
Net remeasurement of loss allowances ⁽⁴⁾	(82)	144	33	95	(74)	109	36	71
Derecognitions ⁽⁵⁾	(2)	(1)	–	(3)	(2)	(1)	–	(3)
Changes to models	–	–	–	–	2	4	–	6
Provisions for credit losses	8	16	80	104	3	9	70	82
Write-offs	–	–	(95)	(95)	–	–	(82)	(82)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	15	15	–	–	12	12
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	78	157	–	235	62	136	–	198
Includes:								
Amounts drawn	43	121	–	164	37	111	–	148
Undrawn commitments ⁽⁶⁾	35	36	–	71	25	25	–	50
Business and government								
Balance at beginning	308	215	229	752	251	220	244	715
Originations or purchases ⁽²⁾	349	–	–	349	106	–	–	106
Transfers ⁽³⁾ :								
to Stage 1	48	(47)	(1)	–	43	(41)	(2)	–
to Stage 2	(162)	176	(14)	–	(40)	45	(5)	–
to Stage 3	(2)	(13)	15	–	(1)	(9)	10	–
Net remeasurement of loss allowances ⁽⁴⁾	(31)	128	306	403	(23)	33	99	109
Derecognitions ⁽⁵⁾	(53)	(53)	(13)	(119)	(31)	(22)	(4)	(57)
Changes to models	–	–	–	–	–	(5)	1	(4)
Provisions for credit losses	149	191	293	633	54	1	99	154
Write-offs	–	–	(154)	(154)	–	–	(137)	(137)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	80	80	–	–	20	20
Foreign exchange movements and other	(1)	–	(9)	(10)	–	–	(3)	(3)
Balance at end	456	406	439	1,301	305	221	223	749
Includes:								
Amounts drawn	343	362	438	1,143	213	195	223	631
Undrawn commitments ⁽⁶⁾	113	44	1	158	92	26	–	118
Total allowances for credit losses at end⁽⁷⁾	734	787	703	2,224	526	578	370	1,474
Includes:								
Amounts drawn	580	702	702	1,984	403	522	370	1,295
Undrawn commitments ⁽⁶⁾	154	85	1	240	123	56	–	179

(1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the nine-month period ended July 31, 2025 was \$379 million (no POCI loans had been acquired during the nine-month period ended July 31, 2024). The expected credit losses reflected in the purchase price have been discounted.

(2) Include allowances for credit losses on impaired loans acquired from CWB. For additional information, see Note 19.

(3) Represent stage transfers deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(4) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(5) Represent reversals to loss allowances arising from full loan repayments (excluding write-offs and disposals).

(6) The allowances for credit losses on undrawn commitments are reported in the *Other liabilities* item of the Consolidated Balance Sheet.

(7) Excludes allowances for credit losses on other financial assets at amortized cost and on off-balance sheet commitments other than undrawn commitments.

Main Macroeconomic Factors

The following tables show the main macroeconomic factors used to estimate the allowances for credit losses on loans. For each scenario, namely, the base scenario, upside scenario, and downside scenario, the average values of the macroeconomic factors over the next 12 months (used for Stage 1 credit loss calculations) and over the remaining forecast period (used for Stage 2 credit loss calculations) are presented.

	As at July 31, 2025					
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic factors ⁽¹⁾						
GDP growth ⁽²⁾	0.9 %	2.0 %	2.2 %	2.1 %	(5.9) %	2.7 %
Unemployment rate	7.2 %	6.7 %	6.7 %	6.0 %	9.2 %	8.5 %
Housing price index growth ⁽²⁾	(2.7) %	2.6 %	9.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	1.8 %	1.6 %	1.5 %	1.4 %	3.3 %	2.4 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	2.5 %	2.8 %	8.1 %	3.2 %	(31.0) %	7.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	62	69	74	75	36	45

As at April 30, 2025						
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic factors ⁽¹⁾						
GDP growth ⁽²⁾	(0.1) %	1.8 %	1.6 %	2.2 %	(5.4) %	2.7 %
Unemployment rate	7.2 %	6.8 %	6.6 %	5.9 %	8.8 %	8.1 %
Housing price index growth ⁽²⁾	(0.3) %	2.6 %	9.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	2.0 %	1.7 %	1.4 %	1.4 %	3.2 %	2.4 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	(9.1) %	2.8 %	4.0 %	3.0 %	(25.6) %	5.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	62	68	84	79	42	52

As at October 31, 2024						
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic factors⁽¹⁾						
GDP growth ⁽²⁾	1.2 %	2.0 %	1.9 %	2.1 %	(5.2) %	2.7 %
Unemployment rate	7.3 %	6.7 %	6.5 %	5.8 %	8.7 %	7.9 %
Housing price index growth ⁽²⁾	4.1 %	2.6 %	7.7 %	2.4 %	(13.9) %	0.3 %
BBB spread ⁽³⁾	2.2 %	1.9 %	1.7 %	1.6 %	3.4 %	2.6 %
S&P/TSX growth ⁽²⁾⁽⁴⁾	(3.8) %	2.7 %	4.0 %	3.0 %	(25.6) %	5.5 %
WTI oil price ⁽⁵⁾ (US\$ per barrel)	71	75	89	84	45	55

- (1) All macroeconomic factors are based on the Canadian economy unless otherwise indicated.
(2) Growth rate is annualized.
(3) Yield on corporate BBB bonds less yield on Canadian federal government bonds with 10-year maturity.
(4) Main stock index in Canada.
(5) The West Texas Intermediate (WTI) index is commonly used as a benchmark for the price of oil.

The main macroeconomic factors used for the personal credit portfolio are unemployment rate and growth in the housing price index, based on the economy of Canada or Quebec. The main macroeconomic factors used for the business and government credit portfolio are unemployment rate, spread on corporate BBB bonds, S&P/TSX growth, and WTI oil price. An increase in unemployment rate or BBB spread will generally lead to higher allowances for credit losses, whereas an increase in the other macroeconomic factors (GDP, S&P/TSX, housing price index, and WTI oil price) will generally lead to lower allowances for credit losses.

Note 6 – Loans and Allowances for Credit Losses (cont.)

During the quarter ended July 31, 2025, macroeconomic factors evolved in various ways, with improvements in some areas and deterioration in others. Overall, the environment remains challenging, and uncertainty remains high.

The Canadian economy remains vulnerable due to the uncertainty surrounding tariffs. The unemployment rate is trending upward, and the economy is on track to have contracted in the second quarter. The weakness is not limited to the manufacturing sector, as the services sector is also experiencing a slowdown. These difficulties appear to be continuing into the third quarter, with hiring and investment intentions being low. Despite this, inflationary pressures remain, but they should ease as wage growth moderates. This should allow the Bank of Canada to provide further monetary easing to support real estate and households facing an interest payment shock. In the United States, the latest data has been rather disappointing. More specifically, consumption has been relatively weak since the beginning of the year. This slowdown may be due in part to a weakening labour market, but it also reflects the delayed impact of interest rate hikes, which should continue to take hold in the second half of the year. Despite the uncertain economic environment, risky financial assets have rallied following a volatile period at the beginning of the year. In the base scenario, Canada's unemployment rate stands at 7.2% after 12 months, an increase of 0.2 percentage point. In addition to the deterioration in the labour market, real estate prices are down, as economic uncertainty is dampening the enthusiasm of potential buyers. Consequently, housing prices fall 2.7% year over year. The S&P/TSX sits at 25,821 points after one year, and the price of oil is at US\$62.

In the upside scenario, trade tensions fade, and geopolitical conflicts are resolved, lifting confidence. Inflation continues to subside, as central bankers managed to curb it without causing significant damage to the economy. This enables them to make further cuts to interest rates. The Canadian and U.S. governments continue to expand spending. With the labour market holding up, consumer spending remains relatively resilient. House prices appreciate strongly against a backdrop of respectable economic growth and an improving labour market. After one year, the unemployment rate in this scenario is more favourable than in the base scenario (0.7 percentage point lower). Housing prices rise 9.7%, the S&P/TSX sits at 27,215 points after one year, and the price of oil is at US\$75.

In the downside scenario, widespread tariffs are imposed on Canada, but the country limits retaliation so as not to generate too much inflation. The central bank cuts interest rates sharply but falling demand and uncertainty translate into sharply reduced investment by businesses, which consequently reduce staffing levels. Given budgetary constraints, governments are unable to support households and businesses as they did during the pandemic. The geopolitical situation continues to cause concern, with the risk of conflicts escalating. After 12 months, economic contraction pushes unemployment to 10.0%. House prices fall sharply (-13.9%). The S&P/TSX sits at 19,875 points after one year, and the price of oil is at US\$32.

Given the uncertainty surrounding key inputs used to measure credit losses, the Bank has applied expert credit judgment to adjust the modelled expected credit loss results.

Sensitivity Analysis of Allowances for Credit Losses on Non-Impaired Loans

Scenarios

The following table shows a comparison of the Bank's allowances for credit losses on non-impaired loans (Stages 1 and 2) as at July 31, 2025 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

	Allowances for credit losses on non-impaired loans
Balance as at July 31, 2025	1,521
Simulations	
100% upside scenario	1,070
100% base scenario	1,281
100% downside scenario	1,870

Finance leases

As part of the CWB acquisition, the Bank acquired finance leases for a fair value amount of \$3,625 million. As at July 31, 2025, the amount recognized as net investment in finance leases included in business and government loans was \$3,647 million and the related allowance for expected credit losses recorded was \$51 million.

The following table sets out a reconciliation of maturity analysis of undiscounted lease payments and net investment in finance leases.

	As at July 31, 2025
1 year or less	1,338
Over 1 year to 2 years	1,062
Over 2 years to 3 years	770
Over 3 years to 4 years	474
Over 4 years to 5 years	230
Over 5 years	58
Undiscounted lease payments	3,932
Unearned finance income	(285)
Net investment in finance leases⁽¹⁾	3,647

(1) Interest income totalled \$87 million for the nine-month period ended July 31, 2025.

Note 7 – Other Assets

	As at July 31, 2025	As at October 31, 2024
Receivables, prepaid expenses and other items	3,221	3,579
Interest and dividends receivable	1,616	1,742
Due from clients, dealers and brokers	1,076	1,302
Defined benefit asset	456	487
Deferred tax assets	1,027	828
Current tax assets	866	669
Reinsurance contract assets	23	22
Insurance contract assets	42	41
Investments in associates and joint ventures	44	40
Commodities ⁽¹⁾	503	573
	8,874	9,283

(1) Commodities are recorded at fair value based on quoted prices in active markets and are classified in Level 1 of the fair value measurement hierarchy.

Note 8 – Deposits

	As at July 31, 2025			As at October 31, 2024
	On demand ⁽¹⁾	After notice ⁽²⁾	Fixed term ⁽³⁾	Total
Personal	6,906	53,417	61,598	121,921
Business and government ⁽⁴⁾	71,303	33,530	169,628	274,461
Deposit-taking institutions	1,459	399	4,046	5,904
	79,668	87,346	235,272	402,286
				333,545

- (1) Demand deposits are deposits for which the Bank does not have the right to require a notice of withdrawal and consist essentially of deposits in chequing accounts.
(2) Notice deposits are deposits for which the Bank may legally require a notice of withdrawal and consist mainly of deposits in savings accounts.
(3) Fixed-term deposits are deposits that can be withdrawn by the holder on a specified date and include term deposits, guaranteed investment certificates, savings accounts and plans, covered bonds, and other similar instruments.
(4) As at October 31, 2024, business and government deposits included subscription receipts issued under the agreement to acquire CWB for \$1.0 billion. For additional information, see Notes 10 and 19.

The *Deposits – Business and government* item includes, among other items, covered bonds for which the balance was \$9.8 billion as at July 31, 2025 (\$11.4 billion as at October 31, 2024). During the nine-month period ended July 31, 2025, an amount of US\$255 million and an amount of 1.0 billion euros in covered bonds came to maturity (750 million euros in covered bonds came to maturity during the nine-month period ended July 31, 2024). For additional information on covered bonds, see Note 29 to the audited annual consolidated financial statements for the year ended October 31, 2024.

In addition, as at July 31, 2025, the *Deposits – Business and government* item also includes deposits of \$24.5 billion (\$23.5 billion as at October 31, 2024) that are subject to the bank bail-in conversion regulations issued by the Government of Canada. These regulations provide certain powers to the Canada Deposit Insurance Corporation (CDIC), notably the power to convert certain eligible Bank shares and liabilities into common shares should the Bank become non-viable.

Note 9 – Other Liabilities

	As at July 31, 2025	As at October 31, 2024
Accounts payable and accrued expenses	3,630	3,433
Subsidiaries' debts to third parties	347	236
Interest and dividends payable	2,423	2,290
Lease liabilities	617	472
Due to clients, dealers and brokers	708	853
Defined benefit liability	99	103
Allowances for credit losses – Off-balance-sheet commitments (Note 6)	272	214
Deferred tax liabilities	364	69
Current tax liabilities	172	123
Insurance contract liabilities	25	28
Other items ⁽¹⁾⁽²⁾⁽³⁾	1,175	865
	9,832	8,686

- (1) As at July 31, 2025, *Other items* included provisions for litigation of \$9 million (\$10 million as at October 31, 2024).
(2) As at July 31, 2025, *Other items* included provisions for onerous contracts of \$11 million (\$18 million as at October 31, 2024).
(3) As at July 31, 2025, *Other items* included the financial liability resulting from put options written to non-controlling interests of Flinks Technology Inc. (Flinks) for an amount of \$6 million (\$5 million as at October 31, 2024).

Note 10 – Subscription Receipts

In connection with the CWB transaction, the Bank had offered an aggregate of 9,262,500 subscription receipts at a price of \$112.30 per subscription receipt pursuant to a public offering (the Public Offering) and concurrent private placement (the Concurrent Private Placement) for a total amount of \$1.0 billion.

Pursuant to the Public Offering, on June 17, 2024, the Bank had issued and sold 4,453,000 subscription receipts at a price of \$112.30 for total gross proceeds of approximately \$500 million. The Public Offering had been underwritten on a bought-deal basis by a syndicate of underwriters (the Underwriters). On July 17, 2024, the Bank had issued and sold 178,250 additional subscription receipts pursuant to the partial exercise of the Underwriters' over-allotment option.

Pursuant to the Concurrent Private Placement, on June 17, 2024, the Bank had issued and sold 4,453,000 subscription receipts at a price of \$112.30 to an affiliate of Caisse de dépôt et placement du Québec (CDPQ) for total gross proceeds of approximately \$500 million. On July 17, 2024, the Bank had issued and sold 178,250 additional subscription receipts to an affiliate of CDPQ pursuant to CDPQ's option to purchase additional subscription receipts to maintain its pro-rata ownership.

Each subscription receipt entitled the holder thereof to receive automatically upon closing of the CWB transaction, without any action on the part of the holder and without payment of additional consideration, (i) one common share of National Bank, and (ii) a cash payment equal to the amount per common share of any cash dividends declared by the Bank and for which the record date fell within the period from June 17, 2024 up to (but excluding) the last day the subscription receipts were outstanding (less applicable withholding taxes, if any). Had the transaction failed, the subscription receipt holders would have had the right to the reimbursement of the full amount, including interest earned.

On February 3, 2025, the closing date of the transaction, the common shares of the Bank issuable pursuant to the subscription receipts were automatically issued through CDS Clearing and Depository Services Inc. in accordance with the terms of the subscription receipts. In addition, pursuant to the terms of the subscription receipts, holders of subscription receipts were also entitled to receive a cash amount for each subscription receipt equivalent to the dividend per common share payable by National Bank to holders of common shares of record on June 24, 2024, September 30, 2024, and December 30, 2024, with payment occurring on August 1, 2024, November 1, 2024, and February 1, 2025, respectively. The number of common shares of National Bank issued pursuant to the automatic exchange of the subscription receipts was 9,262,500.

Note 11 – Subordinated Debt

On June 26, 2025, the Bank issued medium-term notes for an amount of \$750 million bearing interest at 4.333% and maturing August 15, 2035. The interest on these notes will be payable semi-annually at the rate of 4.333% per annum until August 15, 2030 and, thereafter, will be payable quarterly at a floating rate equal to Daily Compounded CORRA (Canadian Overnight Repo Rate Average) plus 1.61%. With the prior approval of the Office of the Superintendent of Financial Institutions (Canada) (OSFI), the Bank may, at its option, redeem these notes as of August 15, 2030, in whole or in part, at their nominal value plus accrued and unpaid interest.

On January 13, 2025, the Bank issued medium-term notes for an amount of \$1.0 billion bearing interest at 4.260% and maturing on February 15, 2035. The interest on these notes will be payable semi-annually at a rate of 4.260% per annum until February 15, 2030 and, thereafter, will be payable quarterly at a floating rate equal to Daily Compounded CORRA plus 1.56%. With the prior approval of OSFI, the Bank may, at its option, redeem these notes as of February 15, 2030, in whole or in part, at their nominal value plus accrued and unpaid interest.

As part of the CWB acquisition, the Bank acquired subordinated debentures in a total amount of \$525 million, detailed below. The acquisition-date fair value was \$554 million. For additional information, see Note 19 to these Consolidated Financial Statements.

The Bank acquired subordinated debentures in an amount of \$125 million bearing interest at 4.840% and maturing on June 29, 2030. The interest on these debentures was payable semi-annually at a rate of 4.840% per annum until June 29, 2025, the date on which the Bank redeemed the subordinated debentures at a price equal to the outstanding principal amount plus accrued and unpaid interest.

The Bank acquired subordinated debentures in an amount of \$150 million bearing interest at 5.937% and maturing on December 22, 2032. The interest on these debentures will be payable semi-annually at a rate of 5.937% per annum until December 22, 2027 and, thereafter, will be payable quarterly at a floating rate equal to Daily Compounded CORRA plus 2.91%. With the prior approval of OSFI, the Bank may, at its option, redeem these subordinated debentures as of December 22, 2027, in whole or in part, at a price equal to the outstanding principal amount plus accrued and unpaid interest.

The Bank acquired subordinated debentures in an amount of \$250 million bearing interest at 5.949% and maturing on January 29, 2034. The interest on these debentures will be payable semi-annually at a rate of 5.949% per annum until January 29, 2029 and, thereafter, will be payable quarterly at a floating rate equal to Daily Compounded CORRA plus 2.73%. With the prior approval of OSFI, the Bank may, at its option, redeem these subordinated debentures as of January 29, 2029, in whole or in part, at a price equal to the outstanding principal amount plus accrued and unpaid interest.

Given that the medium-term notes and subordinated debentures satisfy the non-viability contingent capital (NVCC) requirements, they qualify for the purposes of calculating regulatory capital under Basel III.

Note 12 – Share Capital and Other Equity Instruments

Shares and Other Equity Instruments Outstanding

	As at July 31, 2025		As at October 31, 2024	
	Number of shares or LRCN ⁽¹⁾	Shares or LRCN \$	Number of shares or LRCN	Shares or LRCN \$
First Preferred Shares				
Series 30	14,000,000	350	14,000,000	350
Series 32	–	–	12,000,000	300
Series 38	16,000,000	400	16,000,000	400
Series 40	12,000,000	300	12,000,000	300
Series 42	12,000,000	300	12,000,000	300
Series 47 ⁽²⁾	5,000,000	128	–	–
Series 49 ⁽²⁾	5,000,000	136	–	–
	64,000,000	1,614	66,000,000	1,650
Other equity instruments				
LRCN – Series 1	500,000	500	500,000	500
LRCN – Series 2	500,000	500	500,000	500
LRCN – Series 3	500,000	500	500,000	500
	1,500,000	1,500	1,500,000	1,500
Preferred shares and other equity instruments	65,500,000	3,114	67,500,000	3,150
Common shares at beginning of fiscal year	340,743,876	3,463	338,284,629	3,294
Issued pursuant to the Stock Option Plan	1,055,051	85	2,297,601	146
Issued as part of the CWB acquisition ⁽²⁾				
Exchange of common shares	41,010,378	5,290	–	–
Automatic exchange of subscription receipts	9,262,500	1,040	–	–
Impact of shares purchased or sold for trading ⁽³⁾	(104,785)	(13)	161,646	23
Common shares at end of period	391,967,020	9,865	340,743,876	3,463

(1) Limited Recourse Capital Notes (LRCN).

(2) For additional information, see Note 19 to these Consolidated Financial Statements.

(3) As at July 31, 2025, a total of 83,586 shares were sold short for trading, representing \$13 million (188,371 shares were sold short for trading, representing an amount of \$26 million as at October 31, 2024).

Dividends Declared and Distributions on Other Equity Instruments

	2025		2024	
	Dividends or interest \$	Dividends per share	Dividends or interest \$	Dividends per share
First Preferred Shares				
Series 30	16	1.1608	12	0.8901
Series 32	3	0.2399	9	0.7198
Series 38	21	1.3176	21	1.3176
Series 40	13	1.0909	13	1.0909
Series 42	16	1.3230	16	1.3230
Series 47	4	0.7964	–	–
Series 49	5	0.9564	–	–
	78		71	
Other equity instruments				
LRCN – Series 1 ⁽¹⁾	15		15	
LRCN – Series 2 ⁽²⁾	15		15	
LRCN – Series 3 ⁽³⁾	29		29	
LRCN – Series 1 and 2 of CWB ⁽⁴⁾	3		–	
	62		59	
Preferred shares and other equity instruments	140		130	
Common shares	1,300	3.4600	1,094	3.2200
	1,440		1,224	

(1) The LRCN – Series 1 bear interest at a fixed rate of 4.30% per annum.

(2) The LRCN – Series 2 bear interest at a fixed rate of 4.05% per annum.

(3) The LRCN – Series 3 bear interest at a fixed rate of 7.50% per annum.

(4) For additional information, see Note 19 to these Consolidated Financial statements.

Redemption of Preferred Shares

On February 17, 2025, the first business day after the February 15, 2025 set redemption date, the Bank redeemed all of the issued and outstanding Non-Cumulative 5-Year Rate Reset Series 32 First Preferred Shares. Pursuant to the share conditions, the redemption price was \$25.00 per share plus the periodic dividends declared and unpaid. The Bank redeemed 12,000,000 Series 32 preferred shares for a total amount of \$300 million, which reduced *Preferred share* capital.

Repurchase of Common Shares

On December 12, 2023, the Bank had begun a normal course issuer bid to repurchase for cancellation up to 7,000,000 common shares (representing approximately 2.1% of its then outstanding common shares) over the 12-month period ended on December 11, 2024. On December 12, 2022, the Bank had begun a normal course issuer bid to repurchase for cancellation up to 7,000,000 common shares (representing approximately 2.1% of its then outstanding common shares) over the 12-month period ended December 11, 2023. Any repurchase through the Toronto Stock Exchange will be done at market prices. The common shares may also be repurchased through other means authorized by the Toronto Stock Exchange and applicable regulations, including private agreements or share repurchase programs under issuer bid exemption orders issued by the securities regulators. A private purchase made under an exemption order issued by a securities regulator will be done at a discount to the prevailing market price. The amounts that are paid above the average book value of the common shares are charged to *Retained earnings*. During the nine-month periods ended July 31, 2025 and 2024, the Bank did not repurchase any common shares.

Note 13 – Capital Disclosure

The Bank and all other major Canadian banks have to maintain the following minimum capital ratios established by OSFI: a CET1 capital ratio of at least 11.5%, a Tier 1 capital ratio of at least 13.0%, and a Total capital ratio of at least 15.0%. All of these ratios include a capital conservation buffer of 2.5% established by the Basel Committee on Banking Supervision (BCBS) and OSFI, a 1.0% surcharge applicable solely to Domestic Systemically Important Banks (D-SIBs), and a 3.5% domestic stability buffer (DSB) established by OSFI. The DSB, which can vary from 0% to 4.0% of risk-weighted assets (RWA), consists exclusively of CET1 capital. A D-SIB that fails to meet this buffer requirement will not be subject to automatic constraints to reduce capital distributions but must provide a remediation plan to OSFI. The Bank also has to meet the requirements of the capital output floor, under which its total RWA must not be lower than 72.5% of the total RWA as calculated under the Basel III Standardized Approaches. OSFI had planned a phase-in of the floor factor, starting at 65.0% in the second quarter of 2023, and rising to reach 72.5% in fiscal 2027. On February 12, 2025, OSFI deferred any additional increases until further notice. As a result, the floor factor, currently set at 67.5%, will remain at this level for an undetermined period. If the capital requirement is less than the capital output floor requirement after applying the floor factor, the difference is added to the total RWA. Lastly, OSFI requires D-SIBs to maintain a Basel III leverage ratio of at least 3.5%, which includes a Tier 1 capital buffer of 0.5% applicable only to D-SIBs.

OSFI also requires D-SIBs to maintain a risk-based total loss-absorbing capacity (TLAC) ratio of at least 25.0% (including the DSB) of RWA and a TLAC leverage ratio of at least 7.25%. The purpose of TLAC is to ensure that a D-SIB has sufficient loss-absorbing capacity to support its internal recapitalization in the unlikely event it becomes non-viable.

During the quarter and the nine-month period ended July 31, 2025, the Bank was compliant with all of OSFI's regulatory capital, leverage, and TLAC requirements.

Regulatory Capital⁽¹⁾, Leverage Ratio⁽¹⁾ and TLAC⁽²⁾

	As at July 31, 2025	As at October 31, 2024
Capital		
CET1	25,392	19,321
Tier 1	28,488	22,470
Total capital	32,563	24,001
Risk-weighted assets	183,110	140,975
Total exposure	606,554	511,160
Capital ratios		
CET1	13.9 %	13.7 %
Tier 1	15.6 %	15.9 %
Total	17.8 %	17.0 %
Leverage ratio	4.7 %	4.4 %
Available TLAC	54,850	44,040
TLAC ratio	30.0 %	31.2 %
TLAC leverage ratio	9.0 %	8.6 %

(1) Capital, risk-weighted assets, total exposure, the capital ratios, and the leverage ratio are calculated in accordance with the Basel III rules, as set out in OSFI's *Capital Adequacy Requirements Guideline* and *Leverage Requirements Guideline*.

(2) Available TLAC, the TLAC ratio, and the TLAC leverage ratio are calculated in accordance with OSFI's *Total Loss Absorbing Capacity Guideline*.

Note 14 – Share-Based Payments

Stock Option Plan

During the quarters ended July 31, 2025 and 2024, the Bank did not award any stock options. During the nine-month period ended July 31, 2025, the Bank awarded 1,004,492 stock options (1,222,652 stock options during the nine-month period ended July 31, 2024) with an average fair value of \$23.26 per option (\$13.74 in 2024).

Replacement Options

In connection with the CWB acquisition, during the nine-month period ended July 31, 2025, the Bank exchanged outstanding options held by employees of CWB for 719,886 replacement options, with a weighted average fair value of \$53.32 granting holders the right to purchase common shares of the Bank on substantially similar terms and conditions as were applicable under the CWB Stock Option Plan prior to the exchange, including vesting schedule, term to expiry, termination of employment and change of control provisions. The replacement options vest at the end of a three-year period and expire seven years from the grant date attached to the CWB options prior to the exchange. The exercise price of the replacement options was adjusted to reflect the price difference between the CWB common shares and the Bank's common shares, and the number of replacement options exchanged for CWB options was adjusted, in conjunction with the exercise price, to maintain the same aggregate intrinsic value immediately following the exchange as immediately prior to the exchange. The adjustment of the exercise price and the number of replacement options issued was based on the acquisition's share exchange ratio of 0.450. See Note 19 for additional information on the CWB acquisition.

As at July 31, 2025, there were 11,077,103 stock options outstanding (10,443,059 stock options as at October 31, 2024).

The average fair value of the options awarded, excluding replacement options issued in connection with the CWB acquisition, was estimated on the award date using the Black-Scholes model as well as the following accounting assumptions.

	Nine months ended July 31	
	2025	2024
Risk-free interest rate	2.63%	3.61%
Expected life of options	7 years	7 years
Expected volatility	24.43%	22.29%
Expected dividend yield	3.54%	4.62%

The average fair value of replacement options issued in connection with the CWB acquisition, was estimated on the award date using the Black-Scholes model as well as the following assumptions, which are presented on a weighted average basis.

	Nine months ended July 31	
	2025	
Risk-free interest rate	2.54%	
Expected life of options	4-7 years	
Expected volatility	22.00%	
Expected dividend yield	3.59%	

During the quarter ended July 31, 2025, a \$7 million compensation expense was recorded for this plan (\$4 million for the quarter ended July 31, 2024). During the nine-month period ended July 31, 2025, an \$18 million compensation expense was recorded for this plan (\$13 million for the nine-month period ended July 31, 2024).

Replacement Restricted Stock Units (RSUs)

In connection with the CWB acquisition, during the nine-month period ended July 31, 2025, the Bank exchanged outstanding RSUs and performance stock units (PSUs) held by employees of CWB for 501,764 replacement RSUs at a price of \$128.99, granting holders the right to a cash settlement based on the value of the Bank's common shares. The replacement RSUs retained the same terms as were applicable under the CWB RSU and PSU Plans, including vesting schedule, term to expiry, termination of employment and change of control provisions, with the exception of the performance condition previously attached to the CWB PSU Plan, which was removed immediately prior to the exchange. The replacement units issued in exchange for the CWB RSUs vest on each anniversary of the grant in equal instalments over a period of three years, and the replacement units issued in exchange for the CWB PSUs vest at the end of a three-year period. Upon the exchange, the value of the cash settlement was substituted by the value of the Bank's common shares. To reflect the difference in the value of the cash-settlement between the replacement units and the CWB units, the number of replacement units was adjusted to maintain the same aggregate cash-settlement value immediately following the exchange as immediately prior to the exchange. The number of replacement units was based on the acquisition's share exchange ratio of 0.450.

Note 15 – Employee Benefits – Pension Plans and Other Post-Employment Benefit Plans

The Bank offers pension plans that have a defined benefit component and a defined contribution component. The Bank also offers other post-employment benefit plans to eligible retirees. The cost associated with these plans, including the remeasurements recognized in *Other comprehensive income*, is presented in the following table.

Cost for Pension Plans and Other Post-Employment Benefit Plans

Quarter ended July 31				
	Pension plans		Other post-employment benefit plans	
	2025	2024	2025	2024
Current service cost	27	21	–	–
Interest expense (income), net	(5)	(5)	2	2
Administrative costs	1	1		
Expense of the defined benefit component	23	17	2	2
Expense of the defined contribution component	15	5		
Expense recognized in <i>Net income</i>	38	22	2	2
Remeasurements⁽¹⁾				
Actuarial (gains) losses on the defined benefit obligation	(37)	202	(1)	3
Return on plan assets ⁽²⁾	206	(437)		
Remeasurements recognized in <i>Other comprehensive income</i>	169	(235)	(1)	3
	207	(213)	1	5

Nine months ended July 31				
	Pension plans		Other post-employment benefit plans	
	2025	2024	2025	2024
Current service cost	81	62	–	–
Interest expense (income), net	(15)	(14)	4	5
Administrative costs	3	3		
Expense of the defined benefit component	69	51	4	5
Expense of the defined contribution component	31	14		
Expense recognized in <i>Net income</i>	100	65	4	5
Remeasurements⁽¹⁾				
Actuarial (gains) losses on the defined benefit obligation	(144)	473	(2)	8
Return on plan assets ⁽²⁾	178	(690)		
Remeasurements recognized in <i>Other comprehensive income</i>	34	(217)	(2)	8
	134	(152)	2	13

(1) Changes related to the discount rate and to the return on plan assets are reviewed and updated on a quarterly basis. All other assumptions are updated annually.

(2) Excludes interest income.

Note 16 – Income Taxes

Notice of Assessment

In April 2025, the Bank was reassessed by the Canada Revenue Agency (CRA) for additional income tax and interest of approximately \$125 million (including estimated provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2020 taxation year.

In prior fiscal years, the Bank had been reassessed for additional income tax and interest of approximately \$1,075 million (including provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2012-2019 taxation years.

In the reassessments, the CRA alleges that the dividends were received as part of a “dividend rental arrangement.”

In October 2023, the Bank filed a notice of appeal with the Tax Court of Canada, and the matter is now in litigation. The CRA may issue reassessments to the Bank for taxation years subsequent to 2020 in regard to certain activities similar to those that were the subject of the above-mentioned reassessments. The Bank remains confident that its tax position was appropriate and intends to vigorously defend its position. As a result, no amount has been recognized in the Consolidated Financial Statements as at July 31, 2025.

Pillar 2 Rules

On June 20, 2024, Bill C-69 – *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024* received royal assent. The bill included the Pillar 2 rules (global minimum tax) published by the Organisation for Economic Co-operation and Development (OECD) that are applicable to fiscal years beginning on or after December 31, 2023 (November 1, 2024, for the Bank). To date, the Pillar 2 rules have been included in a bill or enacted in certain jurisdictions where the Bank operates. For the quarter and the nine-month period ended July 31, 2025, the Bank estimates that the application of the Pillar 2 rules represents an increase in the effective tax rate of 1.5% and 1.8%, respectively. For the quarter ended July 31, 2025, the Bank continues to apply the exception to the recognition and disclosure of information about deferred tax assets and liabilities arising from the Pillar 2 rules in the jurisdictions where they have been included in a bill or enacted.

Note 17 – Earnings Per Share

Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding after taking into account the dilution effect of stock options using the treasury stock method and any gain (loss) on the redemption of preferred shares.

	Quarter ended July 31		Nine months ended July 31	
	2025	2024	2025	2024
Basic earnings per share				
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,065	1,033	2,958	2,862
Dividends on preferred shares and distributions on other equity instruments	42	40	124	114
Net income attributable to common shareholders	1,023	993	2,834	2,748
Weighted average basic number of common shares outstanding (<i>thousands</i>)	391,609	340,215	373,982	339,482
Basic earnings per share (<i>dollars</i>)	2.61	2.92	7.58	8.09
Diluted earnings per share				
Net income attributable to common shareholders	1,023	993	2,834	2,748
Weighted average basic number of common shares outstanding (<i>thousands</i>)	391,609	340,215	373,982	339,482
Adjustment to average number of common shares (<i>thousands</i>)				
Stock options ⁽¹⁾	4,310	3,316	3,973	2,813
Weighted average diluted number of common shares outstanding (<i>thousands</i>)	395,919	343,531	377,955	342,295
Diluted earnings per share (<i>dollars</i>)	2.58	2.89	7.50	8.03

- (1) For the quarter ended July 31, 2025, as the exercise price of the options was lower than the average price of the Bank's common shares, no options were excluded from the diluted earnings per share calculation. For the nine-month period ended July 31, 2025, the calculation of diluted earnings per share excluded an average number of 860,324 options outstanding with a weighted average exercise price of \$132.75 given that the exercise price of these options was greater than the average price of the Bank's common shares. For the quarter and nine-month period ended July 31, 2024, as the exercise price of the options was lower than the average price of the Bank's common shares, no options were excluded from the diluted earnings per share calculation.

Note 18 – Segment Disclosures

The presentation of segment disclosures is consistent with the presentation adopted by the Bank for the fiscal year that began on November 1, 2024. It reflects the discontinuation of taxable equivalent basis reporting for income and income tax expense. Using the taxable equivalent basis method is less relevant since the introduction of the Pillar 2 rules (global minimum tax) during the first quarter of 2025 and Bill C-59 in relation to the taxation of certain Canadian dividends during fiscal 2024. This change has no impact on net income previously disclosed. Data for the 2024 periods were adjusted to reflect this change.

Quarter ended July 31 ⁽¹⁾												
	Personal and Commercial		Wealth Management		Financial Markets		USSF&I		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net interest income ⁽²⁾	1,180	913	235	219	(598)	(623)	369	326	(14)	(66)	1,172	769
Non-interest income ⁽³⁾	269	285	576	497	1,375	1,312	33	35	24	98	2,277	2,227
Total revenues	1,449	1,198	811	716	777	689	402	361	10	32	3,449	2,996
Non-interest expenses ⁽⁴⁾⁽⁵⁾	805	615	477	416	347	320	135	115	161	75	1,925	1,541
Income before provisions for credit losses and income taxes	644	583	334	300	430	369	267	246	(151)	(43)	1,524	1,455
Provisions for credit losses	134	79	1	–	24	22	42	46	2	2	203	149
Income before income taxes (recovery)	510	504	333	300	406	347	225	200	(153)	(45)	1,321	1,306
Income taxes (recovery) ⁽⁶⁾	140	138	89	83	72	29	47	42	(92)	(19)	256	273
Net income	370	366	244	217	334	318	178	158	(61)	(26)	1,065	1,033
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Net income attributable to the Bank's shareholders and holders of other equity instruments	370	366	244	217	334	318	178	158	(61)	(26)	1,065	1,033
Average assets ⁽⁷⁾	211,499	160,666	11,140	9,479	234,289	197,996	31,808	28,189	78,334	65,174	567,070	461,504
Total assets	215,155	163,535	11,523	9,758	222,923	190,023	32,365	28,639	70,655	61,978	552,621	453,933

Nine months ended July 31 ⁽¹⁾												
	Personal and Commercial		Wealth Management		Financial Markets		USSF&I		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net interest income ⁽²⁾	3,270	2,653	692	620	(1,612)	(1,847)	1,095	945	(96)	(216)	3,349	2,155
Non-interest income ⁽³⁾	799	830	1,686	1,439	4,397	3,864	102	92	(51)	76	6,933	6,301
Total revenues	4,069	3,483	2,378	2,059	2,785	2,017	1,197	1,037	(147)	(140)	10,282	8,456
Non-interest expenses ⁽⁴⁾⁽⁵⁾	2,250	1,842	1,394	1,206	1,117	945	375	323	377	146	5,513	4,462
Income before provisions for credit losses and income taxes	1,819	1,641	984	853	1,668	1,072	822	714	(524)	(286)	4,769	3,994
Provisions for credit losses ⁽⁶⁾	722	239	2	–	124	50	152	119	2	(1)	1,002	407
Income before income taxes (recovery)	1,097	1,402	982	853	1,544	1,022	670	595	(526)	(285)	3,767	3,587
Income taxes (recovery) ⁽⁶⁾	305	386	264	235	292	74	140	124	(192)	(93)	809	726
Net income	792	1,016	718	618	1,252	948	530	471	(334)	(192)	2,958	2,861
Non-controlling interests	–	–	–	–	–	–	–	–	–	(1)	–	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	792	1,016	718	618	1,252	948	530	471	(334)	(191)	2,958	2,862
Average assets ⁽⁷⁾	195,193	157,483	10,836	9,050	223,456	194,199	32,024	27,205	73,887	65,117	535,396	453,054
Total assets	215,155	163,535	11,523	9,758	222,923	190,023	32,365	28,639	70,655	61,978	552,621	453,933

- (1) Certain comparative amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
- (2) During the nine-month period ended July 31, 2025, the Bank recorded an amount of \$28 million (\$20 million net of income taxes) in the *Other* heading to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (for additional information, see Notes 8 and 10). For the quarter and the nine-month period ended July 31, 2024, the Bank recorded an amount of \$5 million (\$3 million net of income taxes).
- (3) During the nine-month period ended July 31, 2025, the Bank recorded a gain of \$4 million upon the remeasurement at fair value of the interest already held in CWB as at January 31, 2025 (a gain of \$120 million (\$86 million net of income taxes) for the quarter and the nine-month period ended July 31, 2024). Also, during the nine-month period ended July 31, 2025, the Bank recorded a mark-to-market loss of \$23 million (\$17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction (a loss of \$7 million (\$5 million net of income taxes) for the quarter and the nine-month period ended July 31, 2024). All these items were recorded in the *Other* heading.
- (4) During the quarter ended July 31, 2025, the Bank recorded acquisition and integration charges of \$94 million (\$68 million net of income taxes) in the *Other* heading related to the CWB acquisition. For the nine-month period ended July 31, 2025, these charges were \$238 million (\$173 million net of income taxes) and for the quarter and the nine-month period ended July 31, 2024, they were \$7 million (\$5 million net of income taxes).
- (5) During the quarter ended July 31, 2025, the Bank recorded an expense of \$25 million (\$18 million net of income taxes), allocated between Personal and Commercial (\$23 million) and Wealth Management (\$2 million), to reflect the amortization of intangible assets related to the CWB acquisition. During the nine-month period ended July 31, 2025, the expense is \$49 million (\$36 million net of income taxes), allocated between Personal and Commercial (\$46 million) and Wealth Management (\$3 million).
- (6) During the quarter and the nine-month period ended July 31, 2025, the Bank recorded in the *Other* heading an income tax recovery of \$47 million due to a change in tax treatment related to unrealized gains recognized in fiscal 2024 and in the first quarter of 2025, from the remeasurement at fair value of the interest already held by the Bank in CWB.
- (7) Represents the average of the daily balances for the period, which is also the basis on which segment assets are reported in the business segments.
- (8) During the nine-month period ended July 31, 2025, the Bank recorded an amount of \$230 million (\$166 million net of income taxes) in the Personal and Commercial segment to reflect the initial provisions for credit losses on non-impaired loans acquired from CWB.

Note 19 – Acquisition

Canadian Western Bank (CWB) Acquisition

On February 3, 2025, the Bank completed the acquisition of CWB, a diversified financial services institution based in Edmonton, Alberta, in which the Bank had already been holding a 5.9% equity interest. This transaction will enable the Bank to accelerate its growth across Canada. The business combination brings together two complementary Canadian banks with growing businesses, thereby enhancing customer service by offering a full range of products and services nationwide, with a regionally focused service model.

The total consideration transferred of \$6.8 billion included \$5.3 billion for 100% of the common shares of CWB acquired by way of a share exchange at an exchange ratio of 0.450 of a common share of the National Bank for each CWB common share, other than those held by the National Bank, \$1.4 billion for the settlement of pre-existing relationships and \$0.1 billion for the issuance of replacement share-based payment awards. The fair value of the Bank's common shares issued was determined on the basis of the share price on the Toronto Stock Exchange (TSX) at closing on January 31, 2025 at a price of \$128.99 per share. At acquisition date, the Bank obtained a 100% interest in the CWB voting shares and the 5.9% previously held interest was remeasured to its fair value of \$0.3 billion. The non-controlling interest in CWB recognized at acquisition date was measured at a fair value of \$0.6 billion and represented CWB's preferred shares and Limited Recourse Capital Notes (LRCN) outstanding on that date. Total purchase consideration amounted to \$7.7 billion.

Based on the estimated fair values, the preliminary purchase price allocation assigns \$45.4 billion to assets, including goodwill, and \$37.7 billion to liabilities at acquisition date. The estimated goodwill of \$1.6 billion reflects the expected expense synergies from our Personal and Commercial and Wealth Management banking services operations, expected funding synergies, and the expected growth from the product and service platform at a national scale. Goodwill is not deductible for tax purposes.

The following table presents the estimated acquisition-date fair values of the assets acquired and liabilities assumed and consideration transferred. During the measurement period, which can last up to 12 months from the acquisition date, the estimated fair values of the assets acquired and liabilities assumed may be retroactively adjusted to reflect new information obtained about facts and circumstances that existed as at the acquisition date.

	As at February 3, 2025
Assets	
Cash and deposits with financial institutions	148
Securities	4,481
Loans ⁽¹⁾	37,818
Derivative financial instruments	127
Premises and equipment	225
Goodwill	1,560
Intangible assets ⁽²⁾	680
Other assets ⁽³⁾	368
	45,407
Liabilities	
Deposits ⁽⁴⁾	33,328
Obligations related to securities sold under repurchase agreements and securities loaned	16
Derivative financial instruments	40
Liabilities related to transferred receivables	2,570
Other liabilities ⁽⁵⁾	1,224
Subordinated debt	554
	37,732
Total identifiable net assets acquired and goodwill	7,675
Consideration transferred	
Equity issued	5,290
Settlement of pre-existing relationships	1,400
Issuance of replacement share-based payment awards	63
	6,753
Previously held interest	329
Non-controlling interest	593
Purchase consideration	7,675

- (1) Includes \$10,021 million of residential mortgage loans, \$476 million of personal loans, \$36 million of credit card receivables and \$27,285 million of business and government loans. The fair value of loans reflects estimates of incurred and expected future credit losses as at the acquisition date and interest rate premiums or discounts relative to prevailing interest rates.
- (2) Includes \$605 million of core deposit intangibles and \$75 million of customer relationships, which are amortized on a straight-line basis over 7 years.
- (3) Includes interest receivable, derivative collateral receivable, receivables, deferred tax assets and other assets items.
- (4) Includes \$21,198 million in personal deposits and \$12,130 million in business and government deposits.
- (5) Includes accounts payable and accrued expenses, interest payable, lease liabilities and other liabilities items.

During the nine-month period ended July 31, 2025, the remeasurement at fair value of the previously held interest in CWB generated a gain of \$4 million which was reported in the *Non-interest income – Other* item of the Consolidated Statement of Income in the *Other* heading of segment disclosures. For the nine-month period ended July 31, 2025, the acquisition and integration costs of \$238 million are included in the *Non-Interest expenses* in the Consolidated Statement of Income (\$94 million for the quarter ended July 31, 2025). The financial results of CWB have been consolidated in the Bank's financial statements as of February 3, 2025 and have been recorded in the Personal and Commercial, Wealth Management and Financial Markets segments and in the *Other* heading of segment disclosures. Since acquisition date, CWB contributed approximately \$582 million to the Bank's total revenues and a net loss of approximately \$79 million to the Bank's total net income. If the Bank had completed the acquisition on November 1, 2024, the Bank would have reported total revenues of approximately \$10,586 million and net income of approximately \$3,040 million for the nine-month period ended July 31, 2025.

Issuance of Common Shares

On February 3, 2025, the Bank issued a total of 50,272,878 common shares, for an amount of \$6.3 billion, which increased *Common share* capital by \$6.3 billion. This issuance includes 41,010,378 common shares at a price of \$128.99 per share from the share exchange and 9,262,500 common shares at a price of \$112.30 per share from the automatic exchange of subscription receipts. For additional information on subscription receipts, see Note 10 to the Consolidated Financial Statements.

Exchange of Preferred Shares and Redemption of Other Equity Instruments

As of February 4, 2025, certain amendments previously approved by the holders of the outstanding first preferred shares and LRCN of CWB, which permitted the exchange of the first preferred shares of CWB for substantially equivalent first preferred shares of National Bank and the early redemption of the LRCN, were implemented.

On February 20, 2025, all the issued and outstanding Series 5 and Series 9 First Preferred Shares of CWB were exchanged for substantially equivalent Series 47 and Series 49 First Preferred Shares of National Bank, which are non-cumulative 5-year rate-reset bearing interest at 6.371% and 7.651%. The Bank exchanged 10,000,000 preferred shares for a total amount of \$268 million, which reduced the *Non-controlling interest* by \$268 million, increased *Preferred Share* capital by \$264 million and increased *Retained earnings* by \$4 million. Consent fees related to the exchange, amounting to \$2 million, net of income taxes, were recorded in *Retained earnings*. Given the Series 47 and Series 49 preferred shares satisfy the NVCC requirements, they qualify for the purposes of calculating regulatory capital under Basel III. Also, the Bank redeemed 175,000 LRCN – Series 1 and 150,000 LRCN – Series 2 of CWB for a total amount of \$335 million, including consent fees, which reduced the *Non-controlling interest* by \$325 million and decreased *Retained earnings* by \$7 million, net of income taxes.

Note 20 – Event After the Consolidated Balance Sheet Date

Repurchase of Common Shares

On August 26, 2025, the Bank's Board of Directors approved a normal course issuer bid, beginning on or around September 25, 2025, to repurchase for cancellation up to 8,000,000 common shares (representing approximately 2.04% of its then outstanding common shares) over the 12-month period ending on or around September 24, 2026. Any repurchase through the Toronto Stock Exchange (TSX) will be done at market prices. The common shares may also be repurchased through other means authorized by the TSX and applicable regulations, including private agreements or share repurchase programs under issuer bid exemption orders issued by the securities regulators. A private purchase made under an exemption order issued by a securities regulator will be done at a discount to the prevailing market price. The amounts that are paid above the average book value of the common shares are charged to *Retained earnings*. This normal course issuer bid is subject to the approval of OSFI and the TSX.

Information for Shareholders and Investors

Investor Relations

Financial analysts and investors who want to obtain financial information on the Bank may contact the Investor Relations Department.

800 Saint-Jacques Street, 33rd Floor
Montreal, Quebec H3C 1A3
Toll-free: 1-866-517-5455
Email: investorrelations@nbc.ca
Website: nbc.ca/investorrelations

Media Relations

800 Saint-Jacques Street, 32th Floor
Montreal, Quebec H3C 1A3
Telephone: 514-394-6500
Email: pa@nbc.ca

Quarterly Report Publication Dates for Fiscal 2025

(subject to approval by the Board of Directors of the Bank)

First quarter	February 26
Second quarter	May 28
Third quarter	August 27
Fourth quarter	December 3

Disclosure of Third Quarter 2025 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, August 27, 2025 at 11:00 a.m. EDT.
- Access by telephone in listen-only mode: 1-800-806-5484 or 416-340-2217. The access code is 9962511#.
- A recording of the conference call can be heard until November 27, 2025 by dialing 1-800-408-3053 or 905-694-9451. The access code is 5161030#.

Webcast

- The conference call will be webcast live at nbc.ca/investorrelations.
- A recording of the webcast will also be available on National Bank's website after the call.

Financial Documents

- The *Report to Shareholders* (which includes the quarterly Consolidated Financial Statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
- The *Report to Shareholders*, the *Supplementary Financial Information*, the *Supplementary Regulatory Capital and Pillar 3 Disclosure*, and a slide presentation will be available on the Investor Relations page of National Bank's website on the morning of the day of the conference call.

Transfer Agent and Registrar

For information about stock transfers, address changes, dividends, lost certificates, tax forms, and estate transfers, shareholders of record may contact the transfer agent, Computershare Trust Company of Canada, at the address or telephone number below.

Computershare Trust Company of Canada

Share Ownership Management
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Telephone: 1-888-838-1407
Fax: 1-888-453-0330
Email: service@computershare.com
Website: computershare.com

Shareholders whose shares are held by a market intermediary are asked to contact the market intermediary concerned.

Direct Deposit Service for Dividends

Shareholders may elect to have their dividend payments deposited directly via electronic funds transfer to their bank account at any financial institution that is a member of the Canadian Payments Association. To do so, they must send a written request to the transfer agent, Computershare Trust Company of Canada.

Dividend Reinvestment and Share Purchase Plan

National Bank has a Dividend Reinvestment and Share Purchase Plan for holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire common shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of at least \$1 per payment, up to a maximum of \$5,000 per quarter.

For additional information, shareholders may contact National Bank's registrar and transfer agent, Computershare Trust Company of Canada, at 1-888-838-1407. To participate in the plan, National Bank's beneficial or non-registered common shareholders must contact their financial institution or broker.

Dividends

Dividends paid are "eligible dividends" in accordance with the *Income Tax Act* (Canada).





**FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE**

I, Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of National Bank of Canada (the “issuer”) for the interim period ended July 31, 2025.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in *Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings* (c. V-1.1, r. 27), for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is that of the Committee of Sponsoring Organizations of the Treadway Commission (COSO-2013) (for the financial processes) and the Control Objectives for Information and Related Technologies (COBIT) (for the information technologies processes).
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on May 1, 2025 and ended on July 31, 2025 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 27, 2025

(s) *Laurent Ferreira*

Signature: Laurent Ferreira

Title: President and Chief Executive Officer



**FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE**

I, Marie Chantal Gingras, Chief Financial Officer and Executive Vice-President, Finance of National Bank of Canada, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of National Bank of Canada (the “issuer”) for the interim period ended July 31, 2025.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in *Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings* (c. V-1.1, r. 27), for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is that of the Committee of Sponsoring Organizations of the Treadway Commission (COSO-2013) (for the financial processes) and the Control Objectives for Information and Related Technology (COBIT) (for the information technologies processes).
- 5.2 N/A
- 5.3 N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on May 1, 2025 and ended on July 31, 2025 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 27, 2025

(s) *Marie Chantal Gingras*

Signature: Marie Chantal Gingras
Title: Chief Financial Officer and
Executive Vice-President, Finance