

National Bank reports its results for the Second Quarter of 2025 and raises its quarterly dividend by 4 cents to \$1.18 per share

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the quarter and the six-month period ended April 30, 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, May 28, 2025 – For the second quarter of 2025, National Bank is reporting net income of \$896 million, down 1% from \$906 million in the second quarter of 2024 and diluted earnings per share stood at \$2.17 compared to \$2.54 in the second quarter of 2024. Excluding specified items⁽¹⁾ recorded in the second quarter of 2025, notably the acquisition and integration costs related to the acquisition of Canadian Western Bank (CWB)⁽²⁾, which was completed on February 3, 2025 as well as the initial provisions for credit losses on non-impaired loans acquired, adjusted net income⁽¹⁾ stood at \$1,166 million compared to \$906 million in the corresponding quarter of 2024. Adjusted diluted earnings per share⁽¹⁾ stood at \$2.85, up 12% from \$2.54 in the second quarter of 2024.

For the six-month period ended April 30, 2025, the Bank's net income totalled \$1,893 million, up 4% from \$1,828 million for the corresponding period of 2024. Diluted earnings per share stood at \$4.91 for the six-month period ended April 30, 2025 versus \$5.13 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 six-month period ended April 30, 2025 totalled \$2,216 million, up 21% from \$1,828 million for the six-month period ended April 30, 2024, and adjusted diluted earnings per share⁽¹⁾ stood at \$5.78, up 13% from \$5.13 for the six-month period ended April 30, 2024.

"The Bank delivered strong second quarter results, supported by solid organic growth in our business segments. We were also pleased to complete the acquisition of Canadian Western Bank during the quarter, marking a significant step forward in the acceleration of our domestic strategy and in extending the depth and reach of our banking capabilities for our clients," said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada.

"In the context of continued geopolitical and geoeconomic uncertainty, our strong capital position allows us to support business growth," concluded Mr. Ferreira.

Highlights

(millions of Canadian dollars)		Quarter ended April 30			Six months ended April 30		
	2025 ⁽²⁾	2024 ⁽³⁾	% Change	2025 ⁽²⁾	2024 ⁽³⁾	% Change	
Net income	896	906	(1)	1,893	1,828	4	
Diluted earnings per share (<i>dollars</i>)	\$ 2.17	\$ 2.54	(15)	\$ 4.91	\$ 5.13	(4)	
Income before provisions for credit losses and income taxes	1,708	1,278	34	3,245	2,539	28	
Return on common shareholders' equity ⁽⁴⁾	11.9 %	16.9 %		14.0 %	17.0 %		
Dividend payout ratio ⁽⁴⁾	42.2 %	43.2 %		42.2 %	43.2 %		
Operating results – Adjusted⁽¹⁾							
Net income – Adjusted	1,166	906	29	2,216	1,828	21	
Diluted earnings per share – Adjusted (<i>dollars</i>)	\$ 2.85	\$ 2.54	12	\$ 5.78	\$ 5.13	13	
Income before provisions for credit losses and income taxes – Adjusted	1,850	1,278	45	3,460	2,539	36	
				As at April 30, 2025	As at October 31, 2024		
CET1 capital ratio under Basel III ⁽⁵⁾				13.4 %	13.7 %		
Leverage ratio under Basel III ⁽⁵⁾				4.7 %	4.4 %		

(1) See the Financial Reporting Method section on pages 4 to 7 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 the six-month period ended April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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

(4) For details on the composition of these measures, see the Glossary section on pages 51 to 54 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(5) For additional information on capital management measures, see the Financial Reporting Method section on pages 6 to 12 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Personal and Commercial⁽¹⁾

- Net income totalled \$132 million in the second quarter of 2025 versus \$311 million in the second quarter of 2024, a 58% decrease. Adjusted net income⁽²⁾ totalled \$316 million, up 2% from the corresponding quarter of 2024.
- At \$1,416 million, second-quarter total revenues rose \$285 million or 25% year over year due to the inclusion of CWB, which represents \$240 million or 21%, as well as to 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 11% and commercial lending grew 64%, mainly due to the inclusion of CWB loans during the second quarter of 2025.
- The net interest margin⁽³⁾ stood at 2.30% in the second quarter of 2025, down from 2.36% in the second quarter of 2024.
- Second-quarter non-interest expenses stood at \$804 million, up 31% year over year, of which the inclusion of CWB drove a 25% increase.
- Provisions for credit losses rose \$337 million year over year, mainly due to the initial provisions for credit losses of \$230 million on non-impaired loans acquired from CWB as well as provisions for credit losses on impaired loans and non-impaired loans in Personal Banking and Commercial Banking.
- At 56.8%, the second-quarter efficiency ratio⁽³⁾ had deteriorated compared to 54.1% in the second quarter of 2024, partly due to specified items⁽²⁾ related to the acquisition of CWB.

Wealth Management⁽¹⁾

- Net income totalled \$232 million in the second quarter of 2025, a 13% increase from \$205 million in the corresponding quarter of 2024.
- Second-quarter total revenues amounted to \$791 million compared to \$683 million in second-quarter 2024, a \$108 million or 16% increase driven mainly by growth in fee-based revenues, net interest income and the inclusion of CWB revenues.
- Second-quarter non-interest expenses stood at \$476 million versus \$400 million in second-quarter 2024, a 19% increase associated with revenue growth and with the impact of the inclusion of CWB.
- At 60.2%, the second-quarter efficiency ratio⁽³⁾ had deteriorated compared to 58.6% in the second quarter of 2024.

Financial Markets⁽¹⁾

- Net income totalled \$501 million in the second quarter of 2025, up 56% from \$322 million in the second quarter of 2024.
- Second-quarter total revenues amounted to \$1,101 million, a 62% increase that was mainly due to growth in global markets revenues.
- Second-quarter non-interest expenses stood at \$403 million in second-quarter 2025 compared to \$312 million in second-quarter 2024, an increase that was due to higher variable compensation.
- Second-quarter provisions for credit losses were \$64 million compared to \$11 million in the same quarter of 2024, owing to provisions for credit losses on impaired loans.
- At 36.6%, the efficiency ratio⁽³⁾ had improved from 45.8% in the second quarter of 2024 due to the marked increase in revenues.

U.S. Specialty Finance and International

- Net income totalled \$169 million in the second quarter of 2025, up 4% from \$163 million in the second quarter of 2024.
- Second-quarter total revenues amounted to \$390 million, an 11% year-over-year increase driven mainly by revenue growth at the ABA Bank subsidiary.
- Non-interest expenses for the second quarter of 2025 stood at \$117 million, an 8% year-over-year increase attributable to business growth at the Credigy and ABA Bank subsidiaries.
- Second-quarter provisions for credit losses were up \$22 million year over year, with the increase being attributable to both Credigy and ABA Bank.
- At 30.0%, the efficiency ratio⁽³⁾ had improved from 30.9% in the second quarter of 2024.

Other⁽¹⁾

- The *Other* segment reported a net loss of \$138 million in the second quarter of 2025 compared to a net loss of \$95 million in the same quarter of 2024, owing to the CWB acquisition and integration charges, which are considered specified items⁽²⁾, partly offset by a higher contribution from Treasury activities and the inclusion of CWB revenues in the second quarter of 2025.

Capital Management⁽¹⁾

- As at April 30, 2025, the Common Equity Tier 1 (CET1) capital ratio under Basel III⁽⁴⁾ stood at 13.4%, down from 13.7% as at October 31, 2024. The decrease is mainly explained by the growth in the risk-weighted assets partly due to the inclusion of CWB.
- As at April 30, 2025, the Basel III⁽⁴⁾ leverage ratio was 4.7%, up from 4.4% as at October 31, 2024.

Dividends

- On May 27, 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, up 4 cents or 3.4%, payable on August 1, 2025 to shareholders of record on June 30, 2025.

(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 six-month period ended April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(2) See the Financial Reporting Method section on pages 4 to 7 for additional information on non-GAAP financial measures.

(3) For details on the composition of these measures, see the Glossary section on pages 51 to 54 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(4) For additional information on capital management measures, see the Financial Reporting Method section on pages 6 to 12 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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 award. 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 being 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 represents 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 on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at [nbc.ca](https://www.nbc.ca) or the SEDAR+ website at [sedarplus.ca](https://www.sedarplus.ca).

Financial Reporting Method

The Bank's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards, 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 six-month period ended April 30, 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, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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 5 to 7. It should be noted that, for the quarter and the six-month period ended April 30, 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 initial provisions for credit losses on non-impaired loans acquired from CWB. In addition, for the six-month period ended April 30, 2025, the amortization of subscription receipt issuance costs, the gain resulting from the remeasurement at fair value of the CWB common shares previously held by the Bank and the loss resulting from the impact of managing fair value changes were excluded from the results. For the quarter and the six-month period ended April 30, 2024, no specified items had been excluded from results.

For additional information on non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, and capital management measures, see the Financial Reporting Method section and the Glossary section, on pages 6 to 12 and 51 to 54, respectively, of the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Reconciliation of Non-GAAP Financial Measures

Presentation of Results – Adjusted

(millions of Canadian dollars)

Quarter ended April 30

						2025 ⁽¹⁾	2024 ⁽²⁾
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	1,146	230	(505)	356	(22)	1,205	635
Non-interest income	270	561	1,606	34	(26)	2,445	2,115
Total revenues	1,416	791	1,101	390	(48)	3,650	2,750
Non-interest expenses	804	476	403	117	142	1,942	1,472
Income before provisions for credit losses and income taxes	612	315	698	273	(190)	1,708	1,278
Provisions for credit losses	426	(1)	64	59	(3)	545	138
Income before income taxes (recovery)	186	316	634	214	(187)	1,163	1,140
Income taxes (recovery)	54	84	133	45	(49)	267	234
Net income	132	232	501	169	(138)	896	906
Items that have an impact on results							
Non-interest expenses							
CWB acquisition and integration charges ⁽³⁾	1	3	–	–	114	118	–
Amortization of intangible assets related to the CWB acquisition ⁽⁴⁾	23	1	–	–	–	24	–
Impact on non-interest expenses	24	4	–	–	114	142	–
Provisions for credit losses							
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁵⁾	230	–	–	–	–	230	–
Impact on provisions for credit losses	230	–	–	–	–	230	–
Income taxes							
Income taxes on the CWB acquisition and integration charges ⁽³⁾	–	(1)	–	–	(31)	(32)	–
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁴⁾	(6)	–	–	–	–	(6)	–
Income taxes on initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁵⁾	(64)	–	–	–	–	(64)	–
Impact on income taxes	(70)	(1)	–	–	(31)	(102)	–
Impact on net income	(184)	(3)	–	–	(83)	(270)	–
Operating results – Adjusted							
Net interest income – Adjusted	1,146	230	(505)	356	(22)	1,205	635
Non-interest income – Adjusted	270	561	1,606	34	(26)	2,445	2,115
Total revenues – Adjusted	1,416	791	1,101	390	(48)	3,650	2,750
Non-interest expenses – Adjusted	780	472	403	117	28	1,800	1,472
Income before provisions for credit losses and income taxes – Adjusted	636	319	698	273	(76)	1,850	1,278
Provisions for credit losses – Adjusted	196	(1)	64	59	(3)	315	138
Income before income taxes (recovery) – Adjusted	440	320	634	214	(73)	1,535	1,140
Income taxes (recovery) – Adjusted	124	85	133	45	(18)	369	234
Net income – Adjusted	316	235	501	169	(55)	1,166	906

(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 April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(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 April 30, 2025, the Bank recorded acquisition and integration charges of \$118 million (\$86 million net of income taxes) related to the CWB transaction.

(4) During the quarter ended April 30, 2025, the Bank recorded an amount of \$24 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.

(5) During the quarter ended April 30, 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).

(millions of Canadian dollars)

Six months ended April 30

						2025 ⁽¹⁾	2024 ⁽²⁾
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	2,090	457	(1,014)	726	(82)	2,177	1,386
Non-interest income	530	1,110	3,022	69	(75)	4,656	4,074
Total revenues	2,620	1,567	2,008	795	(157)	6,833	5,460
Non-interest expenses	1,445	917	770	240	216	3,588	2,921
Income before provisions for credit losses and income taxes	1,175	650	1,238	555	(373)	3,245	2,539
Provisions for credit losses	588	1	100	110	–	799	258
Income before income taxes (recovery)	587	649	1,138	445	(373)	2,446	2,281
Income taxes (recovery)	165	175	220	93	(100)	553	453
Net income	422	474	918	352	(273)	1,893	1,828
Items that have an impact on results							
Net interest income							
Amortization of the subscription receipt issuance costs ⁽³⁾	–	–	–	–	(28)	(28)	–
Impact on net interest income	–	–	–	–	(28)	(28)	–
Non-interest income							
Gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	4	4	–
Management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	(23)	(23)	–
Impact on non-interest income	–	–	–	–	(19)	(19)	–
Non-interest expenses							
CWB acquisition and integration charges ⁽⁶⁾	1	3	–	–	140	144	–
Amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	23	1	–	–	–	24	–
Impact on non-interest expenses	24	4	–	–	140	168	–
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)	–
Income taxes on the gain on the fair value remeasurement of an equity interest ⁽⁴⁾	–	–	–	–	1	1	–
Income taxes on management of the fair value changes related to the CWB acquisition ⁽⁵⁾	–	–	–	–	(6)	(6)	–
Income taxes on the CWB acquisition and integration charges ⁽⁶⁾	–	(1)	–	–	(38)	(39)	–
Income taxes on the amortization of intangible assets related to the CWB acquisition ⁽⁷⁾	(6)	–	–	–	–	(6)	–
Income taxes on initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁸⁾	(64)	–	–	–	–	(64)	–
Impact on income taxes	(70)	(1)	–	–	(51)	(122)	–
Impact on net income	(184)	(3)	–	–	(136)	(323)	–
Operating results – Adjusted							
Net interest income – Adjusted	2,090	457	(1,014)	726	(54)	2,205	1,386
Non-interest income – Adjusted	530	1,110	3,022	69	(56)	4,675	4,074
Total revenues – Adjusted	2,620	1,567	2,008	795	(110)	6,880	5,460
Non-interest expenses – Adjusted	1,421	913	770	240	76	3,420	2,921
Income before provisions for credit losses and income taxes – Adjusted	1,199	654	1,238	555	(186)	3,460	2,539
Provisions for credit losses – Adjusted	358	1	100	110	–	569	258
Income before income taxes (recovery) – Adjusted	841	653	1,138	445	(186)	2,891	2,281
Income taxes (recovery) – Adjusted	235	176	220	93	(49)	675	453
Net income – Adjusted	606	477	918	352	(137)	2,216	1,828

(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 six-month period ended April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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

(3) During the six-month period ended April 30, 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 unaudited interim condensed Consolidated Financial Statements in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).

(4) During the six-month period ended April 30, 2025, the Bank recorded a gain of \$4 million (\$3 million net of income taxes) upon the remeasurement at fair value of the interest already held in CWB as at January 31, 2025.

(5) During the six-month period ended April 30, 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.

(6) During the six-month period ended April 30, 2025, the Bank recorded acquisition and integration charges of \$144 million (\$105 million net of income taxes) related to the CWB transaction.

(7) During the six-month period ended April 30, 2025, the Bank recorded an amount of \$24 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.

(8) During the six-month period ended April 30, 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).

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)

	Quarter ended April 30			Six months ended April 30		
	2025 ⁽¹⁾	2024	% Change	2025 ⁽¹⁾	2024	% Change
Basic earnings per share	\$ 2.19	\$ 2.56	(14)	\$ 4.96	\$ 5.18	(4)
Amortization of the subscription receipt issuance costs ⁽²⁾	—	—		0.05	—	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	—	—		(0.01)	—	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	—	—		0.05	—	
CWB acquisition and integration charges ⁽⁵⁾	0.22	—		0.29	—	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.04	—		0.05	—	
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁷⁾	0.43	—		0.45	—	
Basic earnings per share – Adjusted	\$ 2.88	\$ 2.56	13	\$ 5.84	\$ 5.18	13
Diluted earnings per share	\$ 2.17	\$ 2.54	(15)	\$ 4.91	\$ 5.13	(4)
Amortization of the subscription receipt issuance costs ⁽²⁾	—	—		0.05	—	
Gain on the fair value remeasurement of an equity interest ⁽³⁾	—	—		(0.01)	—	
Management of the fair value changes related to the CWB acquisition ⁽⁴⁾	—	—		0.05	—	
CWB acquisition and integration charges ⁽⁵⁾	0.22	—		0.28	—	
Amortization of intangible assets related to the CWB acquisition ⁽⁶⁾	0.04	—		0.05	—	
Initial provisions for credit losses on non-impaired loans acquired from CWB ⁽⁷⁾	0.42	—		0.45	—	
Diluted earnings per share – Adjusted	\$ 2.85	\$ 2.54	12	\$ 5.78	\$ 5.13	13

- (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 six-month period ended April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (2) During the six-month period ended April 30, 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 unaudited interim condensed Consolidated Financial Statements in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).
- (3) During the six-month period ended April 30, 2025, the Bank recorded a gain of \$4 million (\$3 million net of income taxes) upon the remeasurement at fair value of the interest already held in CWB as at January 31, 2025.
- (4) During the six-month period ended April 30, 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.
- (5) During the quarter ended April 30, 2025, the Bank recorded acquisition and integration charges of \$118 million (\$86 million net of income taxes) related to the CWB transaction. For the six-month period ended April 30, 2025, these charges were \$144 million (\$105 million net of income taxes).
- (6) During the quarter and the six-month period ended April 30, 2025, the Bank recorded an amount of \$24 million (\$18 million net of income taxes) to reflect the amortization of intangible assets related to the CWB acquisition.
- (7) During the quarter and the six-month period ended April 30, 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).

Highlights

(millions of Canadian dollars, except per share amounts)			Quarter ended April 30			Six months ended April 30		
	2025 ⁽¹⁾	2024 ⁽²⁾	% Change	2025 ⁽¹⁾	2024 ⁽²⁾	% Change		
Operating results								
Total revenues	3,650	2,750	33	6,833	5,460	25		
Income before provisions for credit losses and income taxes	1,708	1,278	34	3,245	2,539	28		
Net income	896	906	(1)	1,893	1,828	4		
Return on common shareholders' equity ⁽³⁾	11.9 %	16.9 %		14.0 %	17.0 %			
Operating leverage ⁽³⁾	0.8 %	4.3 %		2.3 %	2.9 %			
Efficiency ratio ⁽³⁾	53.2 %	53.5 %		52.5 %	53.5 %			
Earnings per share								
Basic	\$ 2.19	\$ 2.56	(14)	\$ 4.96	\$ 5.18	(4)		
Diluted	\$ 2.17	\$ 2.54	(15)	\$ 4.91	\$ 5.13	(4)		
Operating results – Adjusted⁽⁴⁾								
Total revenues – Adjusted ⁽⁴⁾	3,650	2,750	33	6,880	5,460	26		
Income before provisions for credit losses and income taxes – Adjusted ⁽⁴⁾	1,850	1,278	45	3,460	2,539	36		
Net income – Adjusted ⁽⁴⁾	1,166	906	29	2,216	1,828	21		
Return on common shareholders' equity – Adjusted ⁽⁵⁾	15.6 %	16.9 %		16.5 %	17.0 %			
Operating leverage – Adjusted ⁽⁵⁾	10.4 %	4.3 %		8.9 %	2.9 %			
Efficiency ratio – Adjusted ⁽⁵⁾	49.3 %	53.5 %		49.7 %	53.5 %			
Diluted earnings per share – Adjusted ⁽⁴⁾	\$ 2.85	\$ 2.54	12	\$ 5.78	\$ 5.13	13		
Common share information								
Dividends declared	\$ 1.14	\$ 1.06	8	\$ 2.28	\$ 2.12	8		
Book value ⁽³⁾	\$ 76.13	\$ 62.28		\$ 76.13	\$ 62.28			
Share price								
High	\$ 127.44	\$ 114.68		\$ 140.76	\$ 114.68			
Low	\$ 107.01	\$ 101.24		\$ 107.01	\$ 86.50			
Close	\$ 121.08	\$ 110.54		\$ 121.08	\$ 110.54			
Number of common shares (thousands)	391,322	340,056		391,322	340,056			
Market capitalization	47,381	37,590		47,381	37,590			

(millions of Canadian dollars)			As at April 30, 2025 ⁽¹⁾	As at October 31, 2024	% Change
Balance sheet and off-balance-sheet					
Total assets			536,194	462,226	16
Loans, net of allowances			285,728	243,032	18
Deposits			387,974	333,545	16
Equity attributable to common shareholders			29,790	22,400	33
Assets under administration ⁽³⁾			825,523	766,082	8
Assets under management ⁽³⁾			170,469	155,900	9
Regulatory ratios under Basel III⁽⁶⁾					
Capital ratios					
Common Equity Tier 1 (CET1)			13.4 %	13.7 %	
Tier 1			15.1 %	15.9 %	
Total			16.9 %	17.0 %	
Leverage ratio			4.7 %	4.4 %	
TLAC ratio ⁽⁶⁾			28.2 %	31.2 %	
TLAC leverage ratio ⁽⁶⁾			8.8 %	8.6 %	
Liquidity coverage ratio (LCR) ⁽⁶⁾			166 %	150 %	
Net stable funding ratio (NSFR) ⁽⁶⁾			127 %	122 %	
Other information					
Number of employees – Worldwide (full-time equivalent)			32,371	29,196	11
Number of branches in Canada			395	368	7
Number of banking machines in Canada			965	940	3

- (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 six-month period ended April 30, 2025. For additional information on the impact of the CWB acquisition, see the Acquisition section in the *Report to Shareholders – Second quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (2) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
- (3) For details on the composition of these measures, see the Glossary section on pages 51 to 54 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (4) See the Financial Reporting Method section on pages 4 to 7 for additional information on non-GAAP financial measures.
- (5) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 6 to 12 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (6) For additional information on capital management measures, see the Financial Reporting Method section on pages 6 to 12 in the *Report to Shareholders – Second Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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 the Report to Shareholders for the second quarter of 2025 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 the Report to Shareholders for the second quarter of 2025 and may be updated in the quarterly reports to shareholders filed thereafter.

Disclosure of the Second Quarter 2025 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, May 28, 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 4131060#.
- A recording of the conference call can be heard until August 28, 2025 by dialing 1-800-408-3053 or 905-694-9451. The access code is 8760078#.

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.

For more information

- Marianne Ratté, Vice-President and Head – Investor Relations, investorrelations@nbc.ca
- Jean-François Cadieux, Assistant Vice-President, Public Affairs, jean-francois.cadieux@nbc.ca

