Report to Shareholders — Second Quarter 2025

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 *(dollars)*	**$ 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 *(dollars)*	**$ 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 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 six-month period ended April 30, 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 51 to 54 for details on the composition of these measures.
(5) 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 $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.

(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.
(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 51 to 54 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

May 27, 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 six-month period ended April 30, 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.

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 second 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 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, 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 Banking, the main segment impacted, and on the Bank's consolidated results.

(millions of Canadian dollars)	Quarter ended April 30, 2025						Six months ended April 30, 2025					
	Personal and Commercial Results			Consolidated results			Personal and Commercial Results			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	921	225	1,146	954	251	1,205	1,865	225	2,090	1,926	251	2,177
Non-interest income	255	15	270	2,398	47	2,445	515	15	530	4,609	47	4,656
Total revenues	1,176	240	1,416	3,352	298	3,650	2,380	240	2,620	6,535	298	6,833
Non-interest expenses	651	153	804	1,719	223	1,942	1,292	153	1,445	3,365	223	3,588
Income before provisions for credit losses and income taxes	525	87	612	1,633	75	1,708	1,088	87	1,175	3,170	75	3,245
Provisions for credit losses	152	274	426	271	274	545	314	274	588	525	274	799
Income before income taxes (recovery)	373	(187)	186	1,362	(199)	1,163	774	(187)	587	2,645	(199)	2,446
Income taxes (recovery)	102	(48)	54	319	(52)	267	213	(48)	165	605	(52)	553
Net income	271	(139)	132	1,043	(147)	896	561	(139)	422	2,040	(147)	1,893
Operating results – Adjusted(2)												
Net interest income – Adjusted	921	225	1,146	954	251	1,205	1,865	225	2,090	1,954	251	2,205
Non-interest income – Adjusted	255	15	270	2,398	47	2,445	515	15	530	4,628	47	4,675
Total revenues – Adjusted	1,176	240	1,416	3,352	298	3,650	2,380	240	2,620	6,582	298	6,880
Non-interest expenses – Adjusted	651	129	780	1,645	155	1,800	1,292	129	1,421	3,265	155	3,420
Income before provisions for credit losses and income taxes – Adjusted	525	111	636	1,707	143	1,850	1,088	111	1,199	3,317	143	3,460
Provisions for credit losses – Adjusted	152	44	196	271	44	315	314	44	358	525	44	569
Income before income taxes (recovery) – Adjusted	373	67	440	1,436	99	1,535	774	67	841	2,792	99	2,891
Income taxes (recovery) – Adjusted	102	22	124	340	29	369	213	22	235	646	29	675
Net income – Adjusted	271	45	316	1,096	70	1,166	561	45	606	2,146	70	2,216

(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

The most significant trend last month was undoubtedly the easing of the trade war between Washington and its trading partners. Although any form of appeasement is clearly positive for the global economy, we believe that the current enthusiasm is somewhat exaggerated. After all, not since 1939 has the average tariff imposed by Washington been this high, and even after the recent reduction. While it is true that tariffs could continue to fall as new agreements are reached, we believe that a return to the status quo of recent years is highly unlikely. We would also point out that most of the agreements signed by Washington have an expiry date (90 days in most cases). This means that higher tariffs could always be reintroduced if negotiations to establish a new trade framework between the United States and its main trading partners were to end in deadlock. These risks, combined with a less favourable trade environment, should continue to hamper global growth in the coming months. Although the actions taken by central banks and governments have been limited, they should help to limit the damage.

In the United States, the gross domestic product (GDP) contracted slightly in the first quarter due to a sharp increase in imports, a phenomenon that is expected to reverse in the second quarter. A desire to act ahead of any tariffs being imposed not only boosted imports but also private domestic demand, which rose by 3% in the first quarter on an annualized basis. The labour market remains resilient for now. However, signs of weakness are apparent, including an increase in the number of long-term unemployed and a drop in job postings. Although recently the protectionist measures have sharply reduced, they are likely to keep inflation above the central bank's target for some time to come. Perhaps this will not be enough to prevent a rate cut this year, but enough to prompt the central bank to adopt a cautious approach. Higher-than-expected policy rates, combined with trade retaliation and boycotts by other countries (affecting, in particular, the tourism sector), could slow growth in the second half of the year. All this should result in growth of 1.5%(1) this year and 1.1%(1) in 2026.

Canadian Economy

Even though the average effective tariff imposed by the Americans on Canadian exports is probably only around 6%, taking into account that products compliant with the United States-Canada-Mexico Agreement (USMCA) are not affected, the risk of escalation and the resulting lack of visibility are paralyzing Canadian businesses. And, even though just a few months ago, investment intentions were pointing to a recovery in 2025, the situation has now changed dramatically, with several projects put on hold. Uncertainty is also beginning to affect the labour market, which is showing signs of weakness. The unemployment rate has risen by 0.3 of a percentage point in the last two months, while private sector employment has fallen by at least 75,000. A decline of this magnitude rivals that experienced during the pandemic lockdown and the worst of the 2008-2009 financial crisis. For now, Ontario has been the province hardest hit by the current situation, with 62,000 jobs lost since February, including 30,000 in the manufacturing sector. Against this backdrop, consumer confidence has fallen to historically low levels, and the real estate data already show that buyers are reluctant to make commitments. This points to weak consumption in the coming months as fears of job losses intensify. With the dollar still resilient, inflation generally under control and retaliatory tariff measures relatively limited, the Bank of Canada should be able to lower its key interest rate to 2.0% by the end of the year. This should be sufficient for now, as the federal government also intends to step in to limit the economic damage. Against a backdrop of very weak population growth, we forecast GDP growth of only 1.1%(1) in 2025, with a slight contraction in the economy in the second and third quarters and an average unemployment rate for this year of 7.1%(1) (6.9%(1) in April, peaking at 7.4%(1) in the fourth quarter). GDP growth of 0.9% (1) is expected for 2026.

Quebec Economy

Despite some headwinds, Quebec's economy is well positioned to face any new challenges as they arise. Quebecers have been less affected by the fight against inflation since 2022 and the resulting restrictive monetary policy because they are less indebted than consumers elsewhere. Quebec's unemployment rate was 6.0% in April, the third lowest among Canada's provinces and 0.9 below the national average. Survey data also indicate that Quebec consumers are holding up better than elsewhere, as the province has the highest share of households that consider their financial situation to be good. Quebec households have a higher savings rate, which could enable them to better withstand the headwinds ahead. Despite the current uncertainty, we also note greater resilience in the Quebec real estate market compared to that of Ontario and British Columbia in particular. We continue to believe that Quebec's GDP could prove relatively resilient compared to the rest of the country due to its solid fundamentals. Like other provinces, Quebec is vulnerable to U.S. protectionism. Non-energy exports to the United States account for 14.2% of GDP, slightly higher than the national average of 13.0%. However, the Quebec economy is less vulnerable to sectoral shocks. In fact, Quebec is the fourth most diversified jurisdiction in North America, after Manitoba, Pennsylvania and Texas. In terms of exports, Quebec is the most diversified province. Our growth forecast for the province is 0.9%(1) in 2025, following on 1.4% growth in 2024. With population growth lower than in the rest of the country, Quebec should continue to have one of the lowest unemployment rates in the federation on average in 2025, at 6.0%(1) (compared to 7.1%(1) for Canada).

(1) Forecasts of 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 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 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 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.

<u>Adjusted Net Interest Income</u>
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.

<u>Adjusted Non-Interest Income</u>
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 – Second 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 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 51 to 54 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 (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 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.
(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.
(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 Consolidated Financial Statements).
(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.
(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 Consolidated Financial Statements).
(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.
(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 51 to 54 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 April 30			Six months ended April 30		
	2025[1]	2024[2]	% Change	2025[1]	2024[2]	% Change
Operating results						
Net interest income	**1,205**	635	90	**2,177**	1,386	57
Non-interest income	**2,445**	2,115	16	**4,656**	4,074	14
Total revenues	**3,650**	2,750	33	**6,833**	5,460	25
Non-interest expenses	**1,942**	1,472	32	**3,588**	2,921	23
Income before provisions for credit losses and income taxes	**1,708**	1,278	34	**3,245**	2,539	28
Provisions for credit losses	**545**	138		**799**	258	
Income before income taxes	**1,163**	1,140	2	**2,446**	2,281	7
Income taxes	**267**	234	14	**553**	453	22
Net income	**896**	906	(1)	**1,893**	1,828	4
Diluted earnings per share *(dollars)*	**2.17**	2.54	(15)	**4.91**	5.13	(4)
Specified items[3]						
Amortization of the subscription receipt issuance costs	**–**	–		**(28)**	–	
Gain on the fair value remeasurement of an equity interest	**–**	–		**4**	–	
Management of the fair value changes related to the CWB acquisition	**–**	–		**(23)**	–	
CWB acquisition and integration charges	**(118)**	–		**(144)**	–	
Amortization of intangible assets related to the CWB acquisition	**(24)**	–		**(24)**	–	
Initial provisions for credit losses on non-impaired loans acquired from CWB	**(230)**	–		**(230)**	–	
Specified items before income taxes	**(372)**	–		**(445)**	–	
Income taxes related to specified items	**(102)**	–		**(122)**	–	
Specified items after income taxes	**(270)**	–		**(323)**	–	
Operating results – Adjusted[3]						
Net interest income – Adjusted	**1,205**	635	90	**2,205**	1,386	59
Non-interest income – Adjusted	**2,445**	2,115	16	**4,675**	4,074	15
Total revenues – Adjusted	**3,650**	2,750	33	**6,880**	5,460	26
Non-interest expenses – Adjusted	**1,800**	1,472	22	**3,420**	2,921	17
Income before provisions for credit losses and income taxes – Adjusted	**1,850**	1,278	45	**3,460**	2,539	36
Provisions for credit losses – Adjusted	**315**	138		**569**	258	
Income before income taxes – Adjusted	**1,535**	1,140	35	**2,891**	2,281	27
Income taxes – Adjusted	**369**	234	58	**675**	453	49
Net income – Adjusted	**1,166**	906	29	**2,216**	1,828	21
Diluted earnings per share – Adjusted *(dollars)*	**2.85**	2.54	12	**5.78**	5.13	13
Average assets[4]	**551,432**	455,036	21	**519,296**	448,783	16
Average loans[4][5]	**284,845**	231,691	23	**264,442**	229,909	15
Average deposits[4]	**399,064**	308,488	29	**373,936**	304,974	23
Operating leverage[6]	**0.8 %**	4.3 %		**2.3 %**	2.9 %	
Operating leverage – Adjusted[7]	**10.4 %**	4.3 %		**8.9 %**	2.9 %	
Efficiency ratio[6]	**53.2 %**	53.5 %		**52.5 %**	53.5 %	
Efficiency ratio – Adjusted[7]	**49.3 %**	53.5 %		**49.7 %**	53.5 %	

(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.
(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 six-month period ended April 30, 2024.
(6) See the Glossary section on pages 51 to 54 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 second quarter of 2025, the 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 recorded in the second quarter of 2025, notably the acquisition and integration costs related to the acquisition of CWB as well as the initial provisions for credit losses on non-impaired loans acquired, adjusted net income stood at $1,166 million compared to $906 million in the corresponding quarter of 2024. Adjusted diluted earnings per share 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. Excluding specified items, adjusted net income 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 stood at $5.78, up 13% from $5.13 for the six-month period ended April 30, 2024.

Return on common shareholders' equity was 14.0% for the six-month period ended April 30, 2025 compared to 17.0% in the same period of 2024.

Total Revenues

For the second quarter of 2025, the Bank's total revenues amounted to $3,650 million, up $900 million or 33% compared to the corresponding quarter of 2024, of which the inclusion of CWB drove a 11% increase. This increase was also due to total revenues in the Financial Markets segment in the second quarter of 2025, which rose 62% compared to the second quarter of 2024 due to a sharp increase in global markets revenues. In the Personal and Commercial segment, total revenues rose due to 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. 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. In the USSF&I segment, total revenues were up 11% compared to the second quarter of 2024 as a result of revenue growth at the ABA Bank subsidiary, stemming from business growth. Total revenues for the *Other* heading were higher in the second quarter of 2025 than in the corresponding quarter of 2024, primarily due to a higher contribution from Treasury activities.

For the six-month period ended April 30, 2025, the Bank's total revenues amounted to $6,833 million, compared to $5,460 million in the corresponding period of 2024, for an increase of $1,373 million or 25%, of which the inclusion of CWB drove a 5% increase. Total revenues for the Financial Markets segment were up $680 million, or 51%, compared to the same period in 2024, essentially due to significant revenue growth in global markets. In the Personal and Commercial segment, total revenues rose $335 million or 15%, mainly driven by the increase in net interest income arising from growth in loans and deposits (including the transition of bankers' acceptances to loans at the CORRA rate), 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. The increase in total revenues in the Wealth Management segment was mainly due to revenues 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 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 18% compared to the six-month period ended April 30, 2024, which was driven by revenue growth at the ABA Bank subsidiary stemming from business growth and revenue growth at Credigy. For the six-month period ended April 30, 2025, total income in the *Other* heading was higher than in the corresponding period of 2024, mainly due to an increase attributable to the inclusion of the CWB's revenues offset by a smaller contribution from Treasury activities and by the unfavourable impact of specified items related to the acquisition of CWB. Excluding specified items recorded in the first six months of 2025, adjusted total revenues amounted to $6,880 million in the six-month period ended April 30, 2025, up 26% from $5,460 million recorded in the corresponding six-month period of 2024.

Non-Interest Expenses

For the second quarter of 2025, non-interest expenses stood at $1,942 million, up $470 million or 32% from the corresponding quarter in 2024, of which $223 million was attributable to the inclusion of CWB. Non-interest expenses for the second quarter of 2025 include the following specified items: charges of $118 million related to the acquisition and integration of CWB and $24 million for the amortization of intangible assets related to the acquisition of CWB. Compensation and employee benefits were higher than in the second quarter of 2024 owing to salary growth as well as higher variable compensation related to revenue growth. Occupancy expenses, including depreciation expense, were down compared to the second quarter in 2024, due to a reversal of the provision for property taxes related to the Bank's new head office building in an amount of $22 million. 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 second 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 acquisition of CWB. Excluding specified items, adjusted non-interest expenses stood at $1,800 million in the second quarter of 2025, up 22% from $1,472 million in the corresponding quarter of 2024.

For the six-month period ended April 30, 2025, non-interest expenses totalled $3,588 million, up 23% compared to the corresponding period in 2024, partly due to the inclusion of CWB, which drove an 8% increase. The growth in non-interest expenses was essentially due to the same reasons provided above for the quarter, except for occupancy expenses, which were up compared to the first six months of 2024. This increase in occupancy expenses was due to higher expenses related to the Bank's new head office building and the expansion of the banking network at the ABA Bank subsidiary, partly offset by a reversal, in an amount of $22 million, of the provision for property taxes related to the Bank's new head office. The specified items recorded in non-interest expense in the six-month period ended April 30, 2025 stood at $168 million. Adjusted non-interest expenses were $3,420 million for the first six months of 2025, a 17% increase from $2,921 million for the corresponding period in 2024.

Provisions for Credit Losses

For the second quarter of 2025, the Bank recorded provisions for credit losses of $545 million compared to $138 million in the corresponding quarter in 2024. This significant increase was partly due to initial provisions for credit losses of $230 million recorded on non-impaired loans acquired from CWB. The increase in provisions for credit losses on non-impaired loans was also due to the unfavourable impact related to updated macroeconomic scenarios and the recalibration of certain risk parameters, as well as uncertainties surrounding the imposition of new tariffs. These increases were partly offset by the effects of the migration of credit risk, which was more favourable in the second quarter of 2025, as well as by slower loan portfolio growth than in the corresponding quarter of 2024. Provisions for credit losses on impaired loans excluding Credigy's purchased or originated credit-impaired (POCI) loans(1) also rose compared to the second quarter of 2024. This increase was attributable to Personal Banking (including credit card receivables), Commercial Banking (including CWB), the Financial Markets segment as well as the Credigy and ABA Bank subsidiaries. In addition, the Credigy subsidiary recorded provisions for credit losses on POCI loans of $11 million in the second quarter of 2025, due to remeasurements of certain portfolios.

For the six-month period ended April 30, 2025, the Bank's provisions for credit losses totalled $799 million compared to $258 million in the corresponding period of 2024. This 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, due to the unfavourable impact related to updated macroeconomic outlooks, the recalibration of certain risk parameters and uncertainties surrounding the imposition of new tariffs. These items were partly offset by the effects of the migration of credit risk, which was more unfavourable in the first six months of 2024, and slower loan portfolio growth than in the corresponding six-month 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 to 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 $11 million in the first six months of 2025 due to the remeasurement of certain portfolios.

Income Taxes

For the second quarter of 2025, income taxes stood at $267 million compared to $234 million in the corresponding quarter in 2024. The 2025 second-quarter effective income tax rate was 23% compared to 21% in the corresponding quarter in 2024. This was mainly due to the impact of applying the Pillar 2 rules (for additional information, see the Income Taxes section).

For the six-month period ended April 30, 2025, the effective income tax rate stood at 23% compared to 20% in the corresponding six-month period of 2024. The change in effective income tax rate was due to the same reason as that mentioned for the quarter and a lower level of tax-exempt income for the six-month period ended April 30, 2025.

(1) See the Glossary section on pages 51 to 54 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 April 30			Six months ended April 30		
	2025[1]	2024	% Change	**2025**[1]	2024	% Change
Operating results						
Net interest income	**1,146**	870	32	**2,090**	1,740	20
Non-interest income	**270**	261	3	**530**	545	(3)
Total revenues	**1,416**	1,131	25	**2,620**	2,285	15
Non-interest expenses	**804**	612	31	**1,445**	1,227	18
Income before provisions for credit losses and income taxes	**612**	519	18	**1,175**	1,058	11
Provisions for credit losses	**426**	89		**588**	160	
Income before income taxes	**186**	430	(57)	**587**	898	(35)
Income taxes	**54**	119	(55)	**165**	248	(33)
Net income	**132**	311	(58)	**422**	650	(35)
Less: Specified items after income taxes[2]	**(184)**	–		**(184)**	–	
Net income – Adjusted[2]	**316**	311	2	**606**	650	(7)
Net interest margin[3]	**2.30 %**	2.36 %		**2.29 %**	2.36 %	
Average interest-bearing assets[3]	**204,759**	150,072	36	**184,214**	148,367	24
Average assets[4]	**208,658**	156,736	33	**186,905**	155,874	20
Average loans[4][5]	**203,341**	155,100	31	**183,394**	154,185	19
Net impaired loans[3]	**1,237**	433		**1,237**	433	
Net impaired loans as a % of total loans and acceptances[3]	**0.6 %**	0.3 %		**0.6 %**	0.3 %	
Average deposits[4]	**107,086**	88,933	20	**99,433**	88,942	12
Efficiency ratio[3]	**56.8 %**	54.1 %		**55.2 %**	53.7 %	
Efficiency ratio – Adjusted[6]	**55.1 %**	54.1 %		**54.2 %**	53.7 %	

(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.
(2) See the Financial Reporting Method section on pages 6 to 12 for additional information on non-GAAP financial measures. During the quarter and six-month period ended April 30, 2025, the Bank recorded several items related to the acquisition of CWB, including acquisition and integration charges of $1 million net of income taxes, amortization of intangible assets of $17 million net of income taxes 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 51 to 54 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 six-month period ended April 30, 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 $132 million in the second quarter of 2025, down 58% from $311 million in the corresponding quarter in 2024, primarily due to the increase in provisions for credit losses, in particular initial provisions for credit losses in an amount of $230 million on non-impaired loans acquired from CWB, and to a higher non-interest expense (including specified items recorded in the second quarter of 2025). In addition, income before provisions for credit losses and income taxes stood at $612 million, up 18% from the second quarter of 2024 due to growth in the segment's revenues, as well as the inclusion of CWB's results, which drove a 17% increase. Adjusted net income was $316 million, up 2% from the same quarter in 2024, while adjusted income before provisions for credit losses and income taxes was up 23%. The 32% increase in net interest income in the second quarter of 2025 was driven in part by the inclusion of CWB, which drove a 26% 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 increased by 3% compared to the corresponding quarter in 2024, notably due to the inclusion of CWB's income, partly offset by the transition of bankers' acceptances to loans at the CORRA rate.

Personal Banking's total revenues increased by $52 million compared to the second quarter of 2024. This increase was driven by a higher net interest income, attributable to growth in loans and deposits, partly offset by a narrower margin on deposits, as well as to increases in internal commission revenues related to the distribution of Wealth Management products. The increase in Personal Banking's total revenues was also due to the inclusion of CWB in the second quarter of 2025. Commercial Banking's total revenues grew $233 million compared to the corresponding quarter in 2024, mainly due 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, and as a result of the inclusion of CWB's revenues. 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.

For the second quarter of 2025, the segment's non-interest expenses stood at $804 million, up 31% compared to the corresponding quarter in 2024, of which the inclusion of CWB's non-interest expenses drove a 25% increase, which include specified items of $24 million related to the acquisition. The increase in non-interest expense was also due to higher compensation and employee benefits, mainly from salary increases, and greater investments made as part of the segment's technological evolution. The efficiency ratio of 56.8% in the second quarter of 2025 had deteriorated by 2.7 percentage points compared to the second quarter of 2024. Adjusted non-interest expenses amounted to $780 million in the second quarter of 2025, compared to $612 million in the second quarter of 2024. The adjusted efficiency ratio stood at 55.1% in the second quarter of 2025, compared to 54.1% in the second quarter of 2024.

The segment recorded provisions for credit losses of $426 million in the second quarter of 2025 compared to $89 million in the second quarter of 2024, up $337 million. This increase was mainly due to initial provisions for credit losses on non-impaired loans acquired from CWB in an amount of $230 million. In addition, provisions for credit losses were higher on impaired loans and non-impaired loans in Personal Banking (including credit card receivables) and in Commercial Banking. Adjusted provisions for credit losses stood at $196 million for the second quarter of 2025, up $107 million from the corresponding quarter of 2024.

For the six-month period ended April 30, 2025, the Personal and Commercial segment's net income was $422 million, down 35% from $650 million in 2024, mainly due to the increase in provisions for credit losses (including initial provisions for credit losses on the non-impaired loans acquired from CWB recorded in the first six months of 2025). In addition, income before provisions for credit losses and income taxes for the six-month period ended April 30, 2025, was $1,175 million, up 11% year over year, of which the inclusion of CWB's results drove an 8% increase. Adjusted net income was down 7% compared to $650 million for the same six-month period in 2024, attributable to higher provisions for credit losses, while adjusted income before provisions for credit losses and income taxes increased by 13%. 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. In addition, the increase in Commercial Banking's total revenues was due to growth in loans and deposits, partly offset by a narrower loan margin, and the inclusion of CWB. These increases were partly offset by a decline in credit fees related to the transition from bankers' acceptances to loans at the CORRA rate.

For the six-month period ended April 30, 2025, non-interest expenses stood at $1,445 million, an 18% increase compared to the same period of 2024, due to the same reasons provided above for the quarter. The inclusion of CWB drove a 12% increase in the non-interest expenses. The efficiency ratio was 55.2%, representing a deterioration of 1.5 percentage points compared to April 30, 2024. The segment's adjusted non-interest expenses increased by 16% compared to $1,227 million for the six-month period ended April 30, 2024. The adjusted efficiency ratio was 54.2% for the first six months of 2025, compared to 53.7% for the same period in 2024. For the six-month period ended April 30, 2025, provisions for credit losses amounted to $588 million, an increase of $428 million compared to the same period of 2024. This increase was due to initial provisions on credit losses on non-impaired loans acquired from CWB in an amount of $230 million and higher provisions for credit losses on impaired loans (including credit card receivables) in Personal Banking as well as in Commercial Banking. In addition, provisions for credit losses on non-impaired loans also increased due to changes in certain risk parameters and uncertainties surrounding the imposition of new tariffs. Excluding specified items recorded during the six-month period ended April 30, 2025, provisions for credit losses stood at $358 million, compared to $160 million for the same six-month period of 2024.

Wealth Management

(millions of Canadian dollars)	Quarter ended April 30			Six months ended April 30		
	2025[1]	2024	% Change	2025[1]	2024	% Change
Operating results						
Net interest income	**230**	203	13	**457**	401	14
Fee-based revenues	**467**	394	19	**917**	769	19
Transaction-based and other revenues	**94**	86	9	**193**	173	12
Total revenues	**791**	683	16	**1,567**	1,343	17
Non-interest expenses	**476**	400	19	**917**	790	16
Income before provisions for credit losses and income taxes	**315**	283	11	**650**	553	18
Provisions for credit losses	**(1)**	–		**1**	–	
Income before income taxes	**316**	283	12	**649**	553	17
Income taxes	**84**	78	8	**175**	152	15
Net income	**232**	205	13	**474**	401	18
Less: Specified items after income taxes[2]	**(3)**	–		**(3)**	–	
Net income – Adjusted[2]	**235**	205	15	**477**	401	19
Average assets[3]	**10,754**	8,963	20	**10,681**	8,834	21
Average loans[3][4]	**9,596**	7,967	20	**9,518**	7,839	21
Net impaired loans[5]	**12**	6	100	**12**	6	100
Average deposits[3]	**60,015**	41,927	43	**51,602**	41,568	24
Assets under administration[5]	**825,523**	691,554	19	**825,523**	691,554	19
Assets under management[5]	**170,469**	138,848	23	**170,469**	138,848	23
Efficiency ratio[5]	**60.2 %**	58.6 %		**58.5 %**	58.8 %	
Efficiency ratio – Adjusted[6]	**59.7 %**	58.6 %		**58.3 %**	58.8 %	

(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 six-month period ended April 30, 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 six-month period ended April 30, 2025, the Bank recorded several items related to the acquisition of CWB, including acquisition and integration charges of $2 million net of income taxes and amortization of intangible assets of $1 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 six-month period ended April 30, 2024.
(5) See the Glossary section on pages 51 to 54 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 financial ratios.

In the Wealth Management segment, net income totalled $232 million in the second quarter of 2025, a 13% increase from $205 million in the corresponding quarter in 2024. The segment's total revenues amounted to $791 million, up $108 million or 16% from $683 million in the second quarter of 2024. The 13% increase in net interest income compared to the corresponding quarter in 2024 was due to higher loan and deposit volumes, the favourable impact of a change in the composition of deposits and the inclusion of CWB in the second quarter of 2025. The 19% increase in fee-based revenues was due to the rise in stock markets compared to the corresponding quarter in 2024, positive net inflows for the various solutions and the inclusion of CWB. Transaction and other revenues rose 9% compared to the second quarter of 2024 due to increased client activity.

Non-interest expenses stood at $476 million in the second quarter of 2025, up 19% from $400 million in the second quarter of 2024, partly due to the inclusion of CWB. This increase was also due to higher compensation and employee benefits, due in particular to variable compensation in line with revenue growth, external management fees, as well as higher technology expenses related to the segment's initiatives. The deterioration of the efficiency ratio, which stood at 60.2% in the second quarter of 2025, was due to the inclusion of CWB during the second quarter of 2025. Adjusted non-interest expenses stood at $472 million in the second quarter of 2025 compared to $400 million in the same quarter of 2024. The adjusted efficiency ratio was 59.7% in the second quarter of 2025 compared to 58.6% in the corresponding quarter in 2024. Recoveries of credit losses in an amount of $1 million were recorded in the second quarter of 2025, while negligible provisions for credit losses were recorded in the second quarter of 2024.

In the Wealth Management segment, net income totalled $474 million in the six-month period ended April 30, 2025 compared to $401 million in the same period of 2024, for an increase of 18%. The segment's total revenue stood at $1,567 million for the six-month period ended April 30, 2025, an increase of 17% compared to $1,343 million for the same period of 2024. Net interest income increased by 14%, 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 equity markets, positive net inflows into various solutions and the inclusion of CWB. In addition, transaction and other income increased by 12% compared to the same period in 2024 due to increased client activity. Non-interest expenses stood at $917 million for the six-month period ended April 30, 2025, compared to $790 million for the same period in 2024, an increase of 16% due to the same reasons provided above for the quarter. The efficiency ratio for the six-month period ended April 30, 2025 was 58.5%, an improvement from 58.8% for the corresponding six-month period in 2024. Provisions for credit losses stood at $1 million for the six-month period ended April 30, 2025, whereas they were negligible in the six-month period ended April 30, 2024.

Financial Markets

(millions of Canadian dollars)	Quarter ended April 30			Six months ended April 30		
	2025[1]	2024[2]	% Change	2025[1]	2024[2]	% Change
Operating results						
Global markets						
Equities	**542**	170	219	**909**	300	203
Interest rate and credit	**180**	143	26	**350**	285	23
Commodities and foreign exchange	**62**	56	11	**120**	127	(6)
	784	369	112	**1,379**	712	94
Corporate and investment banking	**317**	312	2	**629**	616	2
Total revenues	**1,101**	681	62	**2,008**	1,328	51
Non-interest expenses	**403**	312	29	**770**	625	23
Income before provisions for credit losses and income taxes	**698**	369	89	**1,238**	703	76
Provisions for credit losses	**64**	11		**100**	28	
Income before income taxes	**634**	358	77	**1,138**	675	69
Income taxes	**133**	36		**220**	45	
Net income	**501**	322	56	**918**	630	46
Average assets[3]	**224,314**	194,158	16	**217,949**	192,280	13
Average loans[3][4] (Corporate Banking only)	**31,118**	31,911	(2)	**31,298**	31,784	(2)
Net impaired loans[5]	**74**	57	30	**74**	57	30
Net impaired loans as a % of total loans and acceptances[5]	**0.2 %**	0.2 %		**0.2 %**	0.2 %	
Average deposits[3]	**77,467**	64,578	20	**75,872**	63,950	19
Efficiency ratio[5]	**36.6 %**	45.8 %		**38.3 %**	47.1 %	

(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 six-month period ended April 30, 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 the six-month period ended April 30, 2024.
(5) See the Glossary section on pages 51 to 54 for details on the composition of these measures.

In the Financial Markets segment, net income totalled $501 million in the second quarter of 2025, up 56% from $322 million in the corresponding quarter in 2024. The impact of including CWB in this segment's results for the quarter was not material. Total revenues amounted to $1,101 million, compared to $681 million in the second quarter of 2024, a significant increase of $420 million or 62%. The growth in global markets revenues came from all types of revenues but was mainly due to equities revenues. Corporate and investment banking revenues for the second quarter of 2025 increased 2% compared to the corresponding quarter in 2024 due to growth in banking service revenues, partly offset by a decrease in revenues related to capital markets activities and revenues from merger and acquisition activities.

Non-interest expenses stood at $403 million in the second quarter of 2025, a 29% increase compared to the second 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 and other expenses related to the segment's business growth. The efficiency ratio was 36.6% in the second quarter of 2025, an improvement of 9.2 percentage points from 45.8% in the second quarter of 2024, owing to a sharp increase in the segment's revenues. In the quarter ended April 30, 2025, provisions for credit losses were up $53 million compared to the second quarter of 2024. This increase was essentially due to provisions for credit losses on impaired loans of $55 million recorded in the second quarter of 2025, attributable to a file in the manufacturing sector.

For the six-month period ended April 30, 2025, the segment's net income totalled $918 million, up 46% compared to the same period of 2024. The impact of including CWB in this segment's results for the first six-month period of 2025 was not material. Total revenues amounted to $2,008 million for the six-month period ended April 30, 2025, for strong growth of $680 million or 51% compared to the same period of 2024. Global markets revenues were up 94%, driven by increases in equities revenues and interest rate and credit products revenues, partly offset by the decrease in commodities and foreign exchange revenues. In addition, corporate and investment banking revenues were up 2% compared to the six-month period ended April 30, 2024, due to the same reasons provided above for the quarter.

For the six-month period ended April 30, 2025, non-interest expenses rose 23% compared to the same period of 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 six-month period ended April 30, 2025 was 38.3%, an improvement of 8.8 percentage points from 47.1% recorded for the corresponding period of 2024. This improvement was driven by a significant increase in revenues. Financial Markets recorded provisions for credit losses of $100 million in the first six months of 2025, compared to $28 million for the same period of 2024. This increase was mainly due to $73 million in provisions for credit losses on impaired loans recorded for the first six months of 2025, compared to the $2 million of recoveries of credit losses on impaired loans recorded for the corresponding period of 2024.

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

(millions of Canadian dollars)	Quarter ended April 30			Six months ended April 30		
	2025	2024	% Change	2025	2024	% Change
Total revenues						
Credigy	141	136	4	286	261	10
ABA Bank	250	209	20	498	403	24
International	(1)	5		11	12	
	390	350	11	795	676	18
Non-interest expenses						
Credigy	39	34	15	79	69	14
ABA Bank	77	73	5	160	138	16
International	1	1		1	1	
	117	108	8	240	208	15
Income before provisions for credit losses and income taxes	273	242	13	555	468	19
Provisions for credit losses						
Credigy	30	26	15	60	51	18
ABA Bank	29	11	164	50	22	127
International	–	–		–	–	
	59	37	59	110	73	51
Income before income taxes	214	205	4	445	395	13
Income taxes						
Credigy	15	15	–	31	29	7
ABA Bank	31	26	19	61	51	20
International	(1)	1		1	2	
	45	42	7	93	82	13
Net income						
Credigy	57	61	(7)	116	112	4
ABA Bank	113	99	14	227	192	18
International	(1)	3		9	9	
	169	163	4	352	313	12
Average assets(1)	33,101	27,402	21	32,134	26,706	20
Average loans and receivables(1)	24,126	21,686	11	23,771	21,231	12
Purchased or originated credit-impaired (POCI) loans	309	429	(28)	309	429	(28)
Net impaired loans excluding Credigy's POCI loans(2)	719	368	95	719	368	95
Average deposits(1)	16,500	12,750	29	15,811	12,459	27
Efficiency ratio(2)	30.0 %	30.9 %		30.2 %	30.8 %	

(1) Represents an average of the daily balances for the period.
(2) See the Glossary section on pages 51 to 54 for details on the composition of these measures.

In the USSF&I segment, net income totalled $169 million in the second quarter of 2025, up 4% from $163 million in the corresponding quarter of 2024, attributable to the ABA Bank subsidiary. The 11% growth in the segment's total revenues was partly offset by the increase in non-interest expenses and provisions for credit losses. For the six-month period ended April 30, 2025, the segment recorded net income of $352 million, an increase of 12% compared to $313 million recorded in the same period of 2024.

Credigy

For the second quarter of 2025, the Credigy subsidiary reported net income of $57 million, down $4 million or 7% compared to the corresponding quarter in 2024. Total revenues amounted to $141 million in the second quarter of 2025 compared to $136 million in the second quarter of 2024, an increase that was driven by growth in loan volumes, the remeasurement of the fair value of certain portfolios in the second quarter of 2025, and the impact of exchange rate fluctuations, items that were partly offset by a gain realized on the disposal of a loan portfolio and revenues related to the under-utilization of credit facilities recorded in the second quarter of 2024. Non-interest expenses stood at $39 million in the second quarter of 2025, a $5 million increase from the corresponding quarter in 2024 due to servicing fees and the impact of exchange rate fluctuations. Provisions for credit losses rose $4 million compared to the second quarter of 2024 due to higher provisions for credit losses on impaired loans (excluding Credigy's POCI loans), attributable to the normal maturation of loan portfolios, and provisions for credit losses on POCI loans, partly offset by the decrease in provisions for credit losses on non-impaired loans.

For the six-month period ended April 30, 2025, the Credigy subsidiary reported net income of $116 million, up 4% from the corresponding period of 2024. Total revenues amounted to $286 million for the first six months of 2025, up from $261 million in the same period of 2024. This increase was due to the same reasons provided above for the quarter. Non-interest expenses for the six-month period ended April 30, 2025 were up $10 million from the corresponding period of 2024, owing to compensation and employee benefits, servicing fees, and the impact of exchange rate fluctuations. The subsidiary reported a $9 million increase in provisions for credit losses compared to the corresponding six-month period in 2024, due to the increase in provisions for credit losses on impaired loans and POCI loans, partly offset by the decrease in credit losses on non-impaired loans.

ABA Bank

For the second quarter of 2025, the ABA Bank subsidiary recorded net income totalling $113 million, up $14 million or 14% from the corresponding quarter in 2024. Total revenues rose 20%, mainly attributable to sustained growth in assets, as well as the impact of exchange rate fluctuations. Non-interest expenses for the second quarter of 2025 stood at $77 million, a $4 million or 5% increase compared to the second quarter of 2024 due to higher occupancy expenses driven by the subsidiary's business growth and the opening of new branches, as well as the impact of exchange rate fluctuations. The subsidiary reported provisions for credit losses totalling $29 million in the second quarter of 2025, up $18 million compared to the corresponding quarter of 2024. This increase was due to higher provisions for credit losses on impaired loans and non-impaired loans related to the uncertainties around the imposition of new tariffs.

For the six-month period ended April 30, 2025, the ABA Bank subsidiary recorded net income totalling $227 million, up $35 million or 18% from the corresponding period of 2024. The 24% increase in total revenues compared to the corresponding six-month period of 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 $160 million, up 16% year over year, due to the same reasons provided above for the quarter as well as higher compensation and employee benefits. The subsidiary reported provisions for credit losses totalling $50 million in the six-month period ended April 30, 2025, up $28 million from the same period of 2024, owing to higher provisions for credit losses on impaired and non-impaired loans.

Other

(millions of Canadian dollars)	Quarter ended April 30		Six months ended April 30	
	2025[1]	2024[2]	**2025**[1]	2024[2]
Operating results				
Net interest income	**(22)**	(85)	**(82)**	(150)
Non-interest income	**(26)**	(10)	**(75)**	(22)
Total revenues	**(48)**	(95)	**(157)**	(172)
Non-interest expenses	**142**	40	**216**	71
Income before provisions for credit losses and income taxes	**(190)**	(135)	**(373)**	(243)
Provisions for credit losses	**(3)**	1	**–**	(3)
Income before income taxes (recovery)	**(187)**	(136)	**(373)**	(240)
Income taxes (recovery)	**(49)**	(41)	**(100)**	(74)
Net loss	**(138)**	(95)	**(273)**	(166)
Non-controlling interests	**–**	(1)	**–**	(1)
Net loss attributable to the Bank's shareholders and holders of other equity instruments	**(138)**	(94)	**(273)**	(165)
Less: Specified items after income taxes[3]	**(83)**	–	**(136)**	–
Net loss – Adjusted[3]	**(55)**	(95)	**(137)**	(166)
Average assets[4]	**74,605**	67,777	**71,627**	65,089

(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.

(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 six-month period ended April 30, 2025, the Bank recorded several items related to the acquisition of CWB, including acquisition and integration charges of $83 million net of income taxes ($102 million net of income taxes for the six-month period ended April 30, 2025). In addition, during the six-month period ended April 30, 2025, the Bank recorded the amortization of the subscription receipt issuance costs of $20 million net of income taxes, a gain of $3 million net of income taxes 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.

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

For the *Other* heading of segment results, a net loss of $138 million was posted in the second quarter of 2025 compared to a net loss of $95 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, for an amount of $114 million recorded in the second quarter of 2025, partly offset by a higher contribution from Treasury activities and the inclusion of CWB income. The specified items recorded in the second quarter of 2025, related to the acquisition of CWB, had an unfavourable impact of $83 million on net loss. The adjusted net loss stood at $55 million for the quarter ended April 30, 2025, compared to $95 million for the corresponding quarter in 2024.

For the six-month period ended April 30, 2025, the segment's loss stood at $273 million compared to a net loss of $166 million in the corresponding period of 2024. The change in net loss was due to the increase in non-interest expenses compared to the first six months of 2024, mainly attributable to higher compensation and employee benefits as well as CWB acquisition and integration charges recorded in the first six months of 2025 for an amount of $140 million. In addition, the lower contribution from Treasury activities, in particular due to a $17 million loss, net of taxes, due to the management of fair value changes related to the acquisition of CWB, as well as the amortization of subscription receipt issuance costs in an amount of $20 million, net of taxes, contributed to the change in net loss. The specified items recorded during the six-month period ended April 30, 2025, related to the CWB acquisition, had a $136 million unfavourable impact on the net loss. The adjusted net loss stood at $137 million for the six-month period ended April 30, 2025 compared to $166 million for the corresponding period of 2024.

Consolidated Balance Sheet

Consolidated Balance Sheet Summary

(millions of Canadian dollars)	As at April 30, 2025[1]	As at October 31, 2024	% Change
Assets			
Cash and deposits with financial institutions	31,422	31,549	–
Securities	168,643	145,165	16
Securities purchased under reverse repurchase agreements and securities borrowed	20,836	16,265	28
Loans, net of allowances	285,728	243,032	18
Other	29,565	26,215	13
	536,194	462,226	16
Liabilities and equity			
Deposits	387,974	333,545	16
Other	112,493	101,873	10
Subordinated debt	2,822	1,258	124
Equity attributable to the Bank's shareholders and holders of other equity instruments	32,904	25,550	29
Non-controlling interests	1	–	
	536,194	462,226	16

(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 April 30, 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 April 30, 2025, the Bank had total assets of $536.2 billion, up $74.0 billion or 16% from $462.2 billion as at October 31, 2024. Cash and deposits with financial institutions as at April 30, 2025, stood at $31.4 billion, down $0.1 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 $23.4 billion since October 31, 2024, owing to a $17.2 billion or 15% 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 $6.4 billion. Securities purchased under reverse repurchase agreements and securities borrowed increased by $4.5 billion since October 31, 2024, driven primarily by the Financial Markets segment and Treasury activities.

As at April 30, 2025, loans, net of allowances for credit losses, totalled $285.7 billion, up $42.7 billion or 18% since October 31, 2024. The following table provides a breakdown of the main loan portfolios.

(millions of Canadian dollars)	As at April 30, 2025[1]	As at October 31, 2024	As at April 30, 2024
Loans			
Residential mortgage and home equity lines of credit	138,497	124,431	119,548
Personal	17,543	17,461	17,253
Credit card	2,835	2,761	2,644
Business and government[2]	128,791	99,720	96,536
	287,666	244,373	235,981
Allowances for credit losses	(1,938)	(1,341)	(1,211)
	285,728	243,032	234,770

(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 April 30, 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 April 30, 2024.

Since October 31, 2024, residential mortgages (including home equity lines of credit) rose $14.1 billion or 11%, above all due to the inclusion of CWB and growth in the business activities of the Personal and Commercial segment and the Financial Markets segment. Also since October 31, 2024, personal loans were up $0.1 billion, and credit card receivables were relatively stable. Business and government loans rose $29.1 billion or 29% since October 31, 2024, mainly due to the inclusion of CWB and business growth in Commercial Banking. These increases were partly offset by a decline in the activities of the Financial Markets segment and the Credigy subsidiary.

Since April 30, 2024, loans, net of allowances for credit losses, grew $50.9 billion or 22%. Residential mortgages (including home equity lines of credit) rose $19.0 billion or 15% due to the inclusion of CWB, sustained demand for mortgage credit in the Personal and Commercial segment and business growth in the Financial Markets segment. Also since April 30, 2024, personal loans rose $0.2 billion 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 $32.3 billion or 33% since April 30, 2024, owing essentially to business growth in Commercial Banking, in the Financial Markets and Wealth Management segments, 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 April 30, 2025, gross impaired loans stood at $3,114 million compared to $2,043 million as at October 31, 2024. As for net impaired loans, they totalled $2,437 million as at April 30, 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 following the inclusion of loans acquired from CWB in the second quarter of 2025, and at 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 April 30, 2025, other assets totalled $29.6 billion, a $3.4 billion increase since October 31, 2024 that resulted mainly from increases in derivative financial instruments as well as in goodwill resulting from the CWB acquisition.

Liabilities
As at April 30, 2025, the Bank had total liabilities of $503.3 billion compared to $436.7 billion as at October 31, 2024.

The Bank's total deposits stood at $388.0 billion as at April 30, 2025, rising $54.5 billion or 16% from $333.5 billion as at October 31, 2024. As at April 30, 2025, personal deposits stood at $122.0 billion, up $26.8 billion since October 31, 2024. This increase was driven by the inclusion of CWB 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 $258.1 billion as at April 30, 2025, rising $25.4 billion since October 31, 2024. The increase is explained by the inclusion of CWB, the activities of the Financial Markets and Wealth Management segments and Treasury funding activities, despite a $0.1 billion decrease in deposits subject to bank capitalization (bail-in) conversion regulations. As at April 30, 2025, deposits from deposit-taking institutions stood at $7.9 billion, an increase of $2.3 billion since October 31, 2024 arising from Treasury funding activities.

As at April 30, 2025, other liabilities stood at $112.5 billion, up $10.6 billion since October 31, 2024, essentially due a $2.3 billion increase in derivative financial instruments, a $3.0 billion increase in obligations related to securities sold short, a $2.8 billion increase in obligations related to securities sold under repurchase agreements and securities loaned and a $1.0 billion increase in liabilities related to transferred receivables.

Subordinated debt increased since October 31, 2024, as a result of the issuance of $1.0 billion of medium-term notes on January 13, 2025 and $0.5 billion in subordinated debt related to the acquisition of CWB.

Equity
As at April 30, 2025, equity attributable to the Bank's shareholders and holders of other equity instruments was $32.9 billion, rising $7.3 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, remeasurements of pension plans and other post-employment benefit plans, and the net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss. Moreover, the issuance of Series 47 and 49 preferred shares were more than offset by the redemption for cancellation of Series 32 preferred shares.

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 April 30, 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 six-month period ended April 30, 2025, the Bank estimates that the application of the Pillar 2 rules represents an increase in the effective tax rate of 1.9%. For the quarter ended April 30, 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 April 30, 2025, outstanding liabilities of $23.4 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 April 30, 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	Ratios as at April 30, 2025
Capital ratios								
CET1	4.5 %	2.5 %	7.0 %	1.0 %	8.0 %	3.5 %	11.5 %	13.4 %
Tier 1	6.0 %	2.5 %	8.5 %	1.0 %	9.5 %	3.5 %	13.0 %	15.1 %
Total	8.0 %	2.5 %	10.5 %	1.0 %	11.5 %	3.5 %	15.0 %	16.9 %
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 %	28.2 %
TLAC leverage ratio	6.75 %	n.a.	6.75 %	0.5 %	7.25 %	n.a.	7.25 %	8.8 %

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. 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*. Since November 1, 2024, there have been no new regulatory developments to be considered.

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 debts for a total amount of $525 million, which included a debenture of $125 million bearing interest at 4.840% and maturing on June 29, 2030 (on May 2, 2025, the Bank provided notice to the holders of its intention to redeem on June 29, 2025, these debentures, at a redemption price equal to the outstanding principal amount and all accrued and unpaid interest), a debenture of $150 million bearing interest at 5.937% and maturing on December 22, 2032 and a debenture 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.

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.

Shares, Other Equity Instruments, and Stock Options

	As at April 30, 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	391,321,704	9,805
Stock options	11,671,264	

(1) Limited Recourse Capital Notes (LRCN).

As at May 23, 2025 there were 391,340,763 common shares and 11,619,774 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, and 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 1,472 million Bank common shares, which would have a 79.0% dilutive effect based on the number of Bank common shares outstanding as at April 30, 2025.

Movement in Regulatory Capital[1]

(millions of Canadian dollars)	Six months ended April 30, 2025
Common Equity Tier 1 (CET1) capital	
Balance at beginning	19,321
Issuance of common shares (including Stock Option Plan)	30
Issuance of common shares related to the CWB acquisition	6,329
Impact of shares purchased or sold for trading	(21)
Repurchase of common shares	–
Replacement options related to the CWB acquisition	29
Other contributed surplus	3
Dividends on preferred and common shares and distributions on other equity instruments	(930)
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,893
Removal of own credit spread (net of income taxes)	(124)
Other	217
Movements in accumulated other comprehensive income	
Translation adjustments	(63)
Debt securities at fair value through other comprehensive income	(27)
Other	–
Change in goodwill and intangible assets (net of related tax liability)	(2,049)
Other, including regulatory adjustments	
Change in defined benefit pension plan asset (net of related tax liability)	(108)
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)	(5)
Other deductions or regulatory adjustments to CET1 implemented by OSFI	(2)
Change in other regulatory adjustments	21
Balance at end	24,514
Additional Tier 1 capital	
Balance at beginning	3,149
New Tier 1 eligible capital issuances	250
Redeemed capital	(300)
Other, including regulatory adjustments	(10)
Balance at end	3,089
Total Tier 1 capital	27,603
Tier 2 capital	
Balance at beginning	1,531
New Tier 2 eligible capital issuances	1,525
Redeemed capital	–
Tier 2 instruments issued by subsidiaries and held by third parties	–
Change in certain allowances for credit losses	365
Other, including regulatory adjustments	(94)
Balance at end	3,327
Total regulatory capital	30,930

(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 $182.8 billion as at April 30, 2025 compared to $141.0 billion as at October 31, 2024, a $41.8 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
			April 30, 2025	January 31, 2025	October 31, 2024
	Non-counterparty credit risk	Counterparty credit risk	Total	Total	Total
Credit risk – Risk-weighted assets at beginning	117,453	6,990	124,443	118,450	116,684
Book size	2,412	(186)	2,226	3,447	1,067
Book quality	393	16	409	785	(70)
Model updates	108	–	108	–	439
Methodology and policy	–	–	–	–	–
Acquisitions and disposals	30,699	9	30,708	–	–
Foreign exchange movements	(2,049)	(187)	(2,236)	1,761	330
Credit risk – Risk-weighted assets at end	149,016	6,642	155,658	124,443	118,450
Market risk – Risk-weighted assets at beginning			9,146	8,002	8,066
Movement in risk levels(2)			1,004	1,144	(64)
Model updates			–	–	–
Methodology and policy			–	–	–
Acquisitions and disposals			–	–	–
Market risk – Risk-weighted assets at end			10,150	9,146	8,002
Operational risk – Risk-weighted assets at beginning			14,875	14,523	14,168
Movement in risk levels			459	352	355
Methodology and policy			–	–	–
Acquisitions and disposals(3)			1,630	–	–
Operational risk – Risk-weighted assets at end			16,964	14,875	14,523
Risk-weighted assets at end			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 April 30, 2025, the Bank's CET1, Tier 1, and Total capital ratios were, respectively, 13.4%, 15.1%, and 16.9% compared to ratios of, respectively, 13.7%, 15.9%, and 17.0% as at October 31, 2024. All of the capital ratios decreased since October 31, 2024. The growth in RWA, mainly due to the inclusion of CWB, had an unfavourable impact on the ratios, partly offset by the common shares issued as part of the acquisition of CWB and by net income, net of dividends. 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 and Total capital ratios, while the $1.0 billion issuance of medium-term notes on January 13, 2025 and the obligation related to CWB's subordinated debts for an amount of $525 million positively impacted the Total capital ratio.

As at April 30, 2025, the leverage ratio was 4.7% compared to 4.4% as at October 31, 2024. The increase in the leverage ratio was essentially 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 April 30, 2025, the Bank's TLAC ratio and TLAC leverage ratio were 28.2% and 8.8%, 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 six-month period ended April 30, 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 April 30, 2025	As at October 31, 2024
Capital		
CET1	24,514	19,321
Tier 1	27,603	22,470
Total capital	30,930	24,001
Risk-weighted assets	182,772	140,975
Total exposure	585,319	511,160
Capital ratios		
CET1	13.4 %	13.7 %
Tier 1	15.1 %	15.9 %
Total	16.9 %	17.0 %
Leverage ratio	4.7 %	4.4 %
Available TLAC	51,508	44,040
TLAC ratio	28.2 %	31.2 %
TLAC leverage ratio	8.8 %	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*.

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	As a result of recent comprehensive changes to U.S. trade policy, tariffs and retaliatory tariffs are being imposed by the U.S. administration and various affected countries, including Canada, Mexico and China, which may affect the Bank and its clients. The level of uncertainty related to such tariffs remains elevated and persistent, as the U.S. administration recently imposed a 90-day pause on most of the previously announced country-specific reciprocal tariffs, reducing tariffs for most countries including China but excluding Canada and Mexico. The potential enactment of recently proposed U.S. tax legislation contributes to this climate of uncertainty. The heightened economic uncertainty and unpredictability of the U.S. government's trade policies continue to create volatility in the financial markets and weigh on the economic and investment outlook, impacting current economic conditions, including such issues as the inflation rate, foreign exchange rates, recessionary risks, and the global supply chain. In addition, the U.S. administration has stated its interest in renegotiating the U.S.-Mexico-Canada Agreement (USMCA), which could result in higher tariffs. Aside from its impact on the global economy, the tariff conflict should continue to have repercussions on the Bank and its clients. The Bank is closely monitoring the developments, as well as the impacts and potential consequences on its financial position and that of its clients, in a macroeconomic environment marked by elevated debt servicing costs, weakened consumer demand and higher operating costs due in part to the reconfiguration of supply chains. Given these circumstances, this conflict may impact many of the top and emerging risks to which the Bank is exposed, including credit risk, market risk, liquidity and funding risk, operational risk, strategic risk, and third-party risk. The extent of the adverse effect on the operational and financial situation of entities such as the Bank and its clients depends largely on the nature and duration of uncertain and unpredictable events, such as the duration or escalation of the tariffs, the evolution of retaliatory measures, possible fiscal or monetary policy responses, and reactions to ongoing changes by global financial markets.

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. Obligors 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.

Between March 2, 2022 and July 12, 2023, the Bank of Canada raised its policy rate ten times; the rate has thus risen from 0.25% to 5%. This rapid increase in rates, undertaken primarily to counter inflation in Canada, continues to put pressure on the ability of borrowers, particularly those whose mortgages came up for renewal in the last few months. Over the course of its last eight announcements, from June 5, 2024 to April 16, 2025, the Bank of Canada lowered its policy rate from 5% to 2.75%.

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 April 30, 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	88,697	9,318	–	–	–	98,015	18 %	82 %
Qualifying revolving retail	4,292	12,906	–	–	–	17,198	– %	100 %
Other retail	22,552	2,858	–	–	40	25,450	30 %	70 %
	115,541	25,082	–	–	40	140,663		
Non-retail								
Corporate	123,157	33,429	60,247	190	9,892	226,915	31 %	69 %
Sovereign	72,214	8,062	94,149	–	272	174,697	3 %	97 %
Financial institutions	10,756	1,109	151,458	4,492	1,877	169,692	24 %	76 %
	206,127	42,600	305,854	4,682	12,041	571,304		
Trading portfolio	–	–	–	16,051	–	16,051	3 %	97 %
Securitization	3,054	–	–	–	6,511	9,565	100 %	– %
Total – Gross credit risk	324,722	67,682	305,854	20,733	18,592	737,583	20 %	80 %
Standardized Approach[(5)]	77,393	2,854	57,833	4,574	7,545	150,199		
IRB Approach	247,329	64,828	248,021	16,159	11,047	587,384		
Total – Gross credit risk	324,722	67,682	305,854	20,733	18,592	737,583	20 %	80 %

(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 – Second Quarter 2025* and *Supplementary Regulatory Capital and Pillar 3 Disclosure – Second Quarter 2025,* which are available on the Bank's website at nbc.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 April 30, 2025
		Market risk measures			
	Balance sheet	Trading[(1)]	Non-trading[(2)]	Not subject to market risk	Non-traded risk primary risk sensitivity
Assets					
Cash and deposits with financial institutions	31,422	877	22,875	7,670	Interest rate[(3)]
Securities					
At fair value through profit or loss	133,092	130,307	2,785	–	Interest rate[(3)] and equity
At fair value through other comprehensive income	20,101	–	20,101	–	Interest rate[(3)] and equity[(4)]
At amortized cost	15,450	–	15,450	–	Interest rate[(3)]
Securities purchased under reverse repurchase agreements and securities borrowed	20,836	–	20,836	–	Interest rate[(3)(5)]
Loans, net of allowances	285,728	15,612	270,116	–	Interest rate[(3)]
Derivative financial instruments	13,649	12,530	1,119	–	Interest rate and exchange rate
Defined benefit asset	638	–	638	–	Other
Other	15,278	469	–	14,809	
	536,194	159,795	353,920	22,479	
Liabilities					
Deposits	387,974	33,697	354,277	–	Interest rate[(3)]
Obligations related to securities sold short	13,871	13,871	–	–	
Obligations related to securities sold under repurchase agreements and securities loaned	40,984	–	40,984	–	Interest rate[(3)(5)]
Derivative financial instruments	18,096	17,264	832	–	Interest rate and exchange rate
Liabilities related to transferred receivables	29,403	11,627	17,776	–	Interest rate[(3)]
Defined benefit liability	105	–	105	–	Other
Other	10,034	–	–	10,034	Interest rate[(3)]
Subordinated debt	2,822	–	2,822	–	Interest rate[(3)]
	503,289	76,459	416,796	10,034	

(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
		Market risk measures			
	Balance sheet	Trading[1]	Non-trading[2]	Not subject to market risk	Non-traded risk primary risk sensitivity
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]

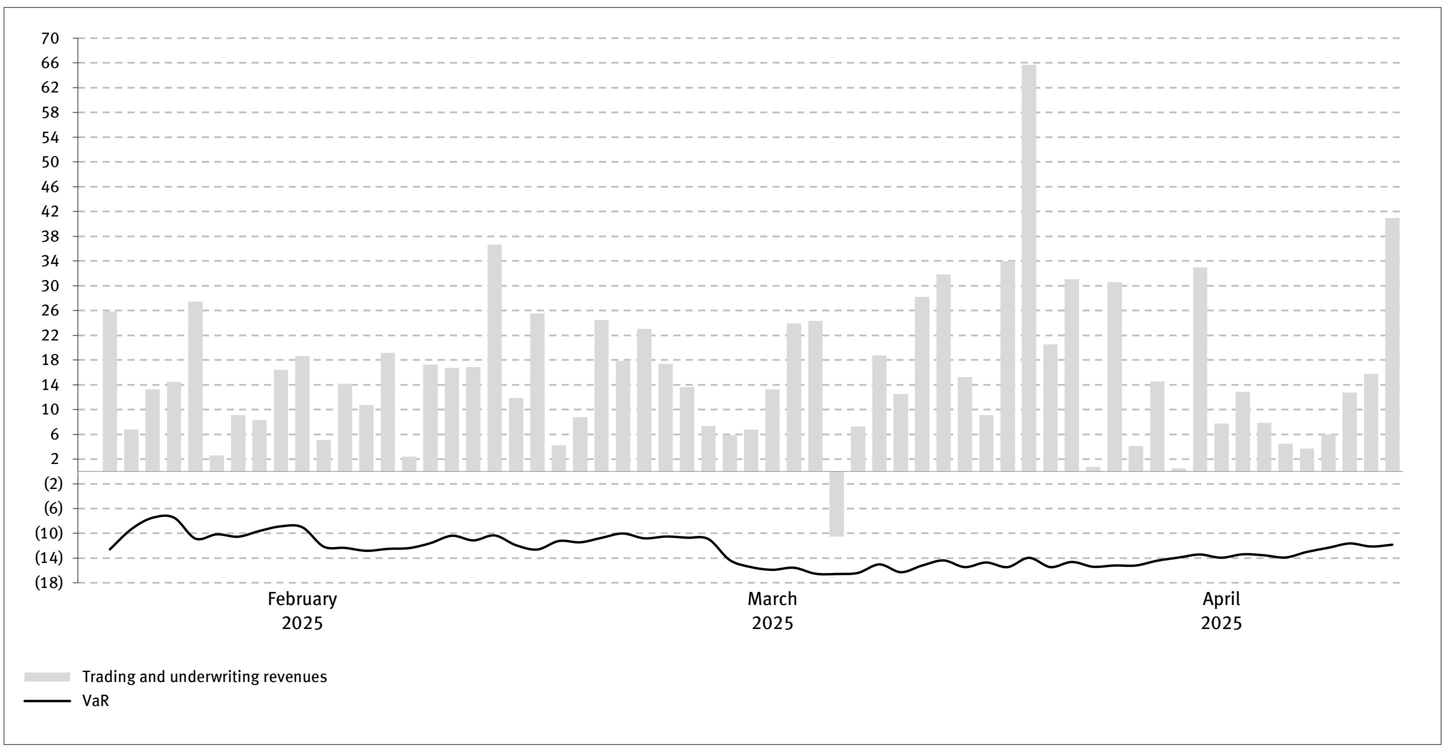
(millions of Canadian dollars)							Quarter ended		Six months ended	
				April 30, 2025	January 31, 2025		April 30, 2024		**April 30, 2025**	April 30, 2024
	Low	**High**	**Average**	**Period end**	Average	Period end	Average	Period end	**Average**	Average
Interest rate	**(5.7)**	**(18.1)**	**(12.4)**	**(12.7)**	(12.8)	(13.0)	(10.2)	(10.1)	**(12.6)**	(9.1)
Exchange rate	**(0.8)**	**(3.6)**	**(1.5)**	**(1.7)**	(2.0)	(0.9)	(1.9)	(1.5)	**(1.8)**	(2.2)
Equity	**(5.0)**	**(8.9)**	**(6.2)**	**(5.6)**	(4.8)	(6.5)	(5.0)	(4.5)	**(5.5)**	(5.6)
Commodity	**(1.0)**	**(1.9)**	**(1.3)**	**(1.1)**	(1.6)	(1.2)	(1.4)	(1.5)	**(1.4)**	(1.6)
Diversification effect[3]	**n.m.**	**n.m.**	**8.7**	**9.2**	9.1	8.0	7.4	7.4	**8.9**	7.9
Total trading VaR	**(7.5)**	**(16.6)**	**(12.7)**	**(11.9)**	(12.1)	(13.6)	(11.1)	(10.2)	**(12.4)**	(10.6)

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 51 to 54 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 stable from the first quarter of 2025 to the second quarter of 2025.

Daily Trading and Underwriting Revenues
The following chart shows daily trading and underwriting revenues and VaR. During the quarter ended April 30, 2025, daily trading and underwriting revenues were positive on 98% of the days. In addition, one day was marked by net daily trading and underwriting losses in excess of $1 million. None of these losses exceeded VaR.

Quarter Ended April 30, 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 April 30, 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	(487)	(76)	(563)	(378)	(57)	(435)
100-basis-point decrease in the interest rate	482	75	557	352	48	400
Impact on net interest income						
100-basis-point increase in the interest rate	127	(16)	111	121	(22)	99
100-basis-point decrease in the interest rate	(143)	18	(125)	(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 development below is 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.

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 April 30, 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	31,422	–	31,422	14,712	16,710	19,819
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	45,111	67,533	112,644	65,045	47,599	41,541
Issued or guaranteed by Canadian provincial and municipal governments	16,901	12,359	29,260	18,023	11,237	10,669
Other debt securities	6,114	6,183	12,297	4,445	7,852	7,305
Equity securities	100,517	53,402	153,919	98,650	55,269	40,972
Loans						
Securities backed by insured residential mortgages	18,785	–	18,785	9,519	9,266	8,471
As at April 30, 2025	218,850	139,477	358,327	210,394	147,933	
As at October 31, 2024	192,169	117,906	310,075	181,298		128,777

(millions of Canadian dollars)	As at April 30, 2025	As at October 31, 2024
Unencumbered liquid assets by entity		
National Bank (parent)	103,283	80,768
Domestic subsidiaries	10,615	12,023
Foreign subsidiaries and branches	34,035	35,986
	147,933	128,777

(millions of Canadian dollars)	As at April 30, 2025	As at October 31, 2024
Unencumbered liquid assets by currency		
Canadian dollar	76,698	66,970
U.S. dollar	64,254	53,960
Other currencies	6,981	7,847
	147,933	128,777

Liquid Asset Portfolio[1] **– Average**[5]

(millions of Canadian dollars)						Quarter ended
					April 30, 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	31,414	–	31,414	14,390	17,024	20,762
Securities						
Issued or guaranteed by the Canadian government, U.S. Treasury, other U.S. agencies and other foreign governments	44,110	64,366	108,476	61,463	47,013	40,832
Issued or guaranteed by Canadian provincial and municipal governments	17,377	12,060	29,437	19,180	10,257	9,063
Other debt securities	7,429	5,868	13,297	4,363	8,934	8,244
Equity securities	110,819	56,344	167,163	102,864	64,299	45,621
Loans						
Securities backed by insured residential mortgages	18,398	–	18,398	9,218	9,180	8,486
	229,547	138,638	368,185	211,478	156,707	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 April 30, 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	992	13,720	16,710	–	31,422	2.7
Securities	53,651	–	114,992	–	168,643	10.0
Securities purchased under reverse repurchase agreements and securities borrowed	–	13,871	6,965	–	20,836	2.6
Loans, net of allowances	39,944	–	9,266	236,518	285,728	7.5
Derivative financial instruments	–	–	–	13,649	13,649	–
Premises and equipment	–	–	–	2,127	2,127	–
Goodwill	–	–	–	3,081	3,081	–
Intangible assets	–	–	–	1,870	1,870	–
Other assets	–	–	–	8,838	8,838	–
	94,587	27,591	147,933	266,083	536,194	22.8

(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 April 30, 2025, the Bank's average LCR was 166%, well above the 100% regulatory requirement and demonstrating the Bank's solid short-term liquidity position.

LCR Disclosure Requirements[1][2]

(millions of Canadian dollars)			Quarter ended
	April 30, 2025		January 31, 2025
	Total unweighted value[3] (average)	Total weighted value[4] (average)	Total weighted value[4] (average)
High-quality liquid assets (HQLA)			
Total HQLA	n.a.	98,206	89,902
Cash outflows			
Retail deposits and deposits from small business customers, of which:	81,896	7,642	6,204
Stable deposits	30,447	914	856
Less stable deposits	51,449	6,728	5,348
Unsecured wholesale funding, of which:	128,420	70,748	66,110
Operational deposits (all counterparties) and deposits in networks of cooperative banks	37,508	9,156	9,057
Non-operational deposits (all counterparties)	84,921	55,565	51,063
Unsecured debt	5,991	6,027	5,990
Secured wholesale funding	n.a.	31,411	28,831
Additional requirements, of which:	82,269	21,718	21,391
Outflows related to derivative exposures and other collateral requirements	26,938	11,966	12,029
Outflows related to loss of funding on secured debt securities	2,303	2,269	1,977
Backstop liquidity and credit enhancement facilities and commitments to extend credit	53,028	7,483	7,385
Other contractual commitments to extend credit	4,265	2,708	655
Other contingent commitments to extend credit	190,401	2,673	2,158
Total cash outflows	n.a.	136,900	125,349
Cash inflows			
Secured lending (e.g., reverse repos)	157,586	30,566	28,898
Inflows from fully performing exposures	17,121	12,145	9,630
Other cash inflows	32,647	32,259	27,537
Total cash inflows	207,354	74,970	66,065
		Total adjusted value[5]	Total adjusted value[5]
Total HQLA		98,206	89,902
Total net cash outflows		61,930	59,284
Liquidity coverage ratio (%)[6]		166 %	154 %

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.

As at April 30, 2025, Level 1 liquid assets represented 84% of the Bank's HQLA, which includes cash, central bank deposits, and bonds issued or guaranteed by the Canadian government and Canadian provincial governments.

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 April 30, 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.

The LCR assumptions differ from the assumptions used for the liquidity disclosures presented in the tables on the previous 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.

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 April 30, 2025, the Bank's NSFR was 127%, 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 April 30, 2025	As at January 31, 2025
	Unweighted value by residual maturity					
	No maturity	6 months or less	Over 6 months to 1 year	Over 1 year	Weighted value(3)	Weighted value(3)
Available Stable Funding (ASF) Items						
Capital:	33,160	–	–	2,777	35,937	28,389
Regulatory capital	33,160	–	–	2,777	35,937	28,389
Other capital instruments	–	–	–	–	–	–
Retail deposits and deposits from small business customers:	75,420	19,095	9,696	34,571	128,836	105,964
Stable deposits	28,935	6,575	4,005	9,527	47,066	42,381
Less stable deposits	46,485	12,520	5,691	25,044	81,770	63,583
Wholesale funding:	83,968	96,807	36,131	69,202	143,835	131,403
Operational deposits	37,141	–	–	–	18,570	18,294
Other wholesale funding	46,827	96,807	36,131	69,202	125,265	113,109
Liabilities with matching interdependent assets(4)	–	2,479	2,716	24,209	–	–
Other liabilities(5):	17,972		10,440		1,239	789
NSFR derivative liabilities(5)	n.a.		86		n.a.	n.a.
All other liabilities and equity not included in the above categories	17,972	4,781	581	4,992	1,239	789
Total ASF	n.a.	n.a.	n.a.	n.a.	309,847	266,545
Required Stable Funding (RSF) Items						
Total NSFR high-quality liquid assets (HQLA)	n.a.	n.a.	n.a.	n.a.	7,787	8,064
Deposits held at other financial institutions for operational purposes	–	–	–	–	–	–
Performing loans and securities:	66,784	118,223	38,489	121,390	200,025	174,271
Performing loans to financial institutions secured by Level 1 HQLA	255	6,590	–	–	342	136
Performing loans to financial institutions secured by non-Level-1 HQLA and unsecured performing loans to financial institutions	6,739	63,936	2,219	7,202	17,104	16,526
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	33,044	34,736	23,085	51,057	103,474	84,068
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	741	3,079	466	454	2,474	2,182
Performing residential mortgages, of which:	9,056	11,961	12,461	61,562	61,858	56,697
With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	9,056	11,961	12,461	61,562	61,858	56,697
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	17,690	1,000	724	1,569	17,247	16,844
Assets with matching interdependent liabilities(4)	–	2,479	2,716	24,209	–	–
Other assets(5):	11,759		32,374		31,661	28,723
Physical traded commodities, including gold	992	n.a.	n.a.	n.a.	992	712
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs(5)	n.a.		12,761		10,847	10,503
NSFR derivative assets(5)	n.a.		3,351		3,266	3,851
NSFR derivative liabilities before deduction of the variation margin posted(5)	n.a.		10,019		501	550
All other assets not included in the above categories	10,767	3,195	343	2,705	16,055	13,107
Off-balance-sheet items(5)	n.a.		140,626		5,374	4,954
Total RSF	n.a.	n.a.	n.a.	n.a.	244,847	216,012
Net Stable Funding Ratio (%)	n.a.	n.a.	n.a.	n.a.	127 %	123 %

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 April 30, 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]	1,753	138	385	–	2,276	–	–	2,276
Certificates of deposit and commercial paper[2]	4,586	3,280	6,739	20,870	35,475	–	–	35,475
Senior unsecured medium-term notes[3]	275	2,745	2,637	10,395	16,052	6,118	13,502	35,672
Senior unsecured structured notes	–	–	–	248	248	1,357	3,366	4,971
Covered bonds and asset-backed securities								
Mortgage securitization	–	2,107	176	1,493	3,776	4,145	21,482	29,403
Covered bonds	–	–	–	–	–	5,775	3,978	9,753
Subordinated liabilities[4]	–	–	–	–	–	–	2,822	2,822
	6,614	8,270	9,937	33,006	57,827	17,395	45,150	120,372
Secured funding	–	2,107	176	1,493	3,776	9,920	25,460	39,156
Unsecured funding	6,614	6,163	9,761	31,513	54,051	7,475	19,690	81,216
	6,614	8,270	9,937	33,006	57,827	17,395	45,150	120,372
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) Includes bearer deposit notes.
(3) Includes 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 April 30, 2025
	One-notch downgrade	Two-notch downgrade	Three-notch downgrade
Derivatives[1]	37	75	140

(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 April 30, 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 April 30, 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	17,498	1,129	1,125	875	678	–	–	–	10,117	31,422
Securities										
At fair value through profit or loss	135	1,286	847	386	1,037	5,503	10,902	12,891	100,105	133,092
At fair value through other comprehensive income	115	92	131	451	157	2,131	7,261	9,351	412	20,101
At amortized cost	15	676	418	955	146	2,753	7,174	3,313	–	15,450
	265	2,054	1,396	1,792	1,340	10,387	25,337	25,555	100,517	168,643
Securities purchased under reverse repurchase agreements and securities borrowed	11,932	1,772	2,675	–	–	345	–	–	4,112	20,836
Loans[2]										
Residential mortgage	2,785	3,753	6,051	5,917	6,246	26,399	46,065	10,708	583	108,507
Personal	1,096	1,177	1,872	1,804	2,296	7,210	12,094	6,325	13,659	47,533
Credit card									2,835	2,835
Business and government	13,844	7,610	7,448	7,445	5,881	15,036	26,608	13,863	31,056	128,791
Allowances for credit losses									(1,938)	(1,938)
	17,725	12,540	15,371	15,166	14,423	48,645	84,767	30,896	46,195	285,728
Other										
Derivative financial instruments	2,106	2,040	1,236	1,268	844	1,649	2,026	2,480	–	13,649
Premises and equipment									2,127	2,127
Goodwill									3,081	3,081
Intangible assets									1,870	1,870
Other assets[2]	1,554	1,416	226	71	272	1,012	194	289	3,804	8,838
	3,660	3,456	1,462	1,339	1,116	2,661	2,220	2,769	10,882	29,565
	51,080	20,951	22,029	19,172	17,557	62,038	112,324	59,220	171,823	536,194

(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 April 30, 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 April 30, 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	3,199	5,095	6,725	5,702	4,065	10,663	17,062	10,084	59,413	122,008
Business and government	43,199	11,067	13,373	21,708	13,200	14,725	36,693	6,209	97,915	258,089
Deposit-taking institutions	2,768	1,390	580	503	161	–	9	3	2,463	7,877
	49,166	17,552	20,678	27,913	17,426	25,388	53,764	16,296	159,791	387,974
Other										
Obligations related to securities sold short[4]	41	838	1,212	242	317	588	2,857	6,055	1,721	13,871
Obligations related to securities sold under repurchase agreements and securities loaned	22,942	2,942	1,037	–	3,446	1,127	–	–	9,490	40,984
Derivative financial instruments	2,834	2,376	1,261	1,513	2,068	1,927	2,071	4,046	–	18,096
Liabilities related to transferred receivables[5]	–	2,107	176	1,285	208	4,145	9,470	12,012	–	29,403
Lease liabilities[6]	1	7	18	21	22	83	198	270	–	620
Other liabilities – Other items[2][6]	2,115	457	274	152	386	112	109	176	5,738	9,519
	27,933	8,727	3,978	3,213	6,447	7,982	14,705	22,559	16,949	112,493
Subordinated debt	–	–	–	–	–	–	–	2,822	–	2,822
Equity									32,905	32,905
	77,099	26,279	24,656	31,126	23,873	33,370	68,469	41,677	209,645	536,194
Off-balance-sheet commitments										
Letters of guarantee and documentary letters of credit	91	976	1,525	4,376	1,803	1,637	239	20	–	10,667
Credit card receivables[7]									10,986	10,986
Backstop liquidity and credit enhancement facilities[8]	15	–	–	15	–	5,552	–	–	5,515	11,097
Commitments to extend credit[9]	2,983	14,567	9,639	7,431	6,505	6,611	8,276	648	56,064	112,724
Obligations related to:										
Lease commitments[10]	1	1	2	2	2	6	7	17	–	38
Other contracts	4	8	12	12	12	49	241	6	156	500

(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 April 30, 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 $58.5 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 development below is 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 – Second 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.

				Pages
		2024 Annual Report	Report to Shareholders[1]	Supplementary Regulatory Capital and Pillar 3 Disclosure[1]
General				
1	Location of risk disclosures	12	47	
	Management's Discussion and Analysis	55 to 112, 125 and 127 to 129	25 to 46	
	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 31 to 46	
4	New key regulatory ratios	56 to 59, 95, 96 and 99 to 102	25, 26, 36 and 38 to 41	
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	25 and 26	
10	Reconciliation of the accounting balance sheet to the regulatory balance sheet			11 to 17, 20 and 21
11	Movements in regulatory capital	62	28	
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	29	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	36 to 41	
Funding				
19	Summary of encumbered and unencumbered assets	98 and 99	38	
20	Residual contractual maturities of balance sheet items and off-balance-sheet commitments	230 to 234	42 to 45	
21	Funding strategy and funding sources	102 to 104	41	
Market risk				
22	Linkage of market risk measures to balance sheet	90 and 91	33 and 34	
23	Market risk factors	88 to 94, 218 and 219	33 to 36	
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	32 and 71 to 83	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	71 to 83	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, 31 and 46	

(1) Second quarter 2025.
(2) These pages are included in the document entitled *Supplementary Financial Information — Second Quarter 2025*.

Accounting Policies and Financial Disclosure

Material Accounting Policies and Accounting Estimates

The unaudited interim condensed consolidated financial statements for the quarter and six-month period ended April 30, 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 segment of results.

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 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 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.

<u>CWB acquisition – Valuation of Assets and Liabilities</u>
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 prepayments 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 deposits acquired. 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 second 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
	Q2(1)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Total	Total
Total revenues	**3,650**	3,183	2,944	2,996	2,750	2,710	2,560	2,490	11,400	10,058
Net income	**896**	997	955	1,033	906	922	751	830	3,816	3,289
Earnings per share ($)										
Basic	**2.19**	2.81	2.69	2.92	2.56	2.61	2.11	2.35	10.78	9.33
Diluted	**2.17**	2.78	2.66	2.89	2.54	2.59	2.09	2.33	10.68	9.24
Dividends per common share ($)	**1.14**	1.14	1.10	1.10	1.06	1.06	1.02	1.02	4.32	3.98
Return on common shareholders' equity (%)(2)	**11.9**	16.7	16.4	18.4	16.9	17.1	14.1	16.1	17.2	16.3
Total assets	**536,194**	483,833	462,226	453,933	441,690	433,927	423,477	425,936		
Net impaired loans(2)	**2,437**	1,836	1,629	1,482	1,426	1,276	1,276	1,156		
Per common share ($)										
Book value(2)	**76.13**	68.15	65.74	64.64	62.28	61.18	60.40	58.53		
Share price										
High	**127.44**	140.76	134.23	118.17	114.68	103.38	103.58	103.28		
Low	**107.01**	128.79	111.98	106.21	101.24	86.50	84.97	94.62		

(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.
(2) See the Glossary section on pages 51 to 54 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.

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)

Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)

	As at April 30, 2025	As at October 31, 2024
Assets		
Cash and deposits with financial institutions	31,422	31,549
Securities (Notes 3, 4 and 5)		
At fair value through profit or loss	133,092	115,935
At fair value through other comprehensive income	20,101	14,622
At amortized cost	15,450	14,608
	168,643	145,165
Securities purchased under reverse repurchase agreements and securities borrowed	20,836	16,265
Loans (Note 6)		
Residential mortgage	108,507	95,009
Personal	47,533	46,883
Credit card	2,835	2,761
Business and government	128,791	99,720
	287,666	244,373
Allowances for credit losses	(1,938)	(1,341)
	285,728	243,032
Other		
Derivative financial instruments	13,649	12,309
Premises and equipment	2,127	1,868
Goodwill	3,081	1,522
Intangible assets	1,870	1,233
Other assets (Note 7)	8,838	9,283
	29,565	26,215
	536,194	462,226
Liabilities and equity		
Deposits (Notes 4, 8 and 10)	387,974	333,545
Other		
Obligations related to securities sold short	13,871	10,873
Obligations related to securities sold under repurchase agreements and securities loaned	40,984	38,177
Derivative financial instruments	18,096	15,760
Liabilities related to transferred receivables (Note 4)	29,403	28,377
Other liabilities (Note 9)	10,139	8,686
	112,493	101,873
Subordinated debt (Note 11)	2,822	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	9,805	3,463
Contributed surplus	113	85
Retained earnings	19,813	18,633
Accumulated other comprehensive income	59	219
	32,904	25,550
Non-controlling interests	1	–
	32,905	25,550
	536,194	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 April 30		Six months ended April 30	
	2025	2024	**2025**	2024
Interest income				
Loans	**4,096**	3,823	**7,992**	7,516
Securities at fair value through profit or loss	**548**	429	**1,081**	881
Securities at fair value through other comprehensive income	**187**	123	**355**	238
Securities at amortized cost	**143**	109	**281**	232
Deposits with financial institutions	**288**	391	**602**	814
	5,262	4,875	**10,311**	9,681
Interest expense				
Deposits	**3,181**	3,256	**6,368**	6,430
Liabilities related to transferred receivables	**198**	188	**393**	360
Subordinated debt	**34**	16	**53**	27
Other	**644**	780	**1,320**	1,478
	4,057	4,240	**8,134**	8,295
Net interest income[1]	**1,205**	635	**2,177**	1,386
Non-interest income				
Underwriting and advisory fees	**112**	115	**208**	203
Securities brokerage commissions	**55**	46	**112**	97
Mutual fund revenues	**174**	155	**352**	305
Investment management and trust service fees	**342**	282	**662**	550
Credit fees	**83**	133	**165**	281
Card revenues	**53**	51	**103**	101
Deposit and payment service charges	**74**	72	**146**	144
Trading revenues (losses)	**1,388**	1,125	**2,569**	2,126
Gains (losses) on non-trading securities, net	**22**	38	**49**	63
Insurance revenues, net	**18**	12	**40**	33
Foreign exchange revenues, other than trading	**64**	57	**130**	105
Share in the net income of associates and joint ventures	**2**	2	**4**	4
Other	**58**	27	**116**	62
	2,445	2,115	**4,656**	4,074
Total revenues	**3,650**	2,750	**6,833**	5,460
Non-interest expenses				
Compensation and employee benefits	**1,196**	909	**2,233**	1,813
Occupancy	**87**	94	**184**	181
Technology	**342**	255	**627**	514
Communications	**18**	14	**34**	27
Professional fees	**120**	66	**213**	132
Other	**179**	134	**297**	254
	1,942	1,472	**3,588**	2,921
Income before provisions for credit losses and income taxes	**1,708**	1,278	**3,245**	2,539
Provisions for credit losses (Note 6)	**545**	138	**799**	258
Income before income taxes	**1,163**	1,140	**2,446**	2,281
Income taxes (Note 16)	**267**	234	**553**	453
Net income	**896**	906	**1,893**	1,828
Net income attributable to				
Preferred shareholders and holders of other equity instruments	**43**	37	**82**	74
Common shareholders	**853**	870	**1,811**	1,755
Bank shareholders and holders of other equity instruments	**896**	907	**1,893**	1,829
Non-controlling interests	**–**	(1)	**–**	(1)
	896	906	**1,893**	1,828
Earnings per share *(dollars)* (Note 17)				
Basic	**2.19**	2.56	**4.96**	5.18
Diluted	**2.17**	2.54	**4.91**	5.13
Dividends per common share *(dollars)* (Note 12)	**1.14**	1.06	**2.28**	2.12

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 April 30		Six months ended April 30	
	2025	2024	**2025**	2024
Net income	**896**	906	**1,893**	1,828
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	**(589)**	203	**(136)**	(40)
Impact of hedging net foreign currency translation gains (losses)	**277**	(86)	**73**	(17)
	(312)	117	**(63)**	(57)
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	**(14)**	(12)	**8**	33
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	**(17)**	(12)	**(35)**	(9)
	(31)	(24)	**(27)**	24
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**(14)**	(25)	**(29)**	4
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(19)**	(31)	**(41)**	(57)
	(33)	(56)	**(70)**	(53)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	**94**	(24)	**98**	(16)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	**(27)**	9	**(10)**	31
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	**109**	(168)	**127**	(333)
	176	(183)	**215**	(318)
Total other comprehensive income, net of income taxes	**(200)**	(146)	**55**	(404)
Comprehensive income	**696**	760	**1,948**	1,424
Comprehensive income attributable to				
Bank shareholders and holders of other equity instruments	**696**	761	**1,948**	1,425
Non-controlling interests	**–**	(1)	**–**	(1)
	696	760	**1,948**	1,424

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 April 30		Six months ended April 30	
	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	**18**	(4)	**3**	2
Impact of hedging net foreign currency translation gains (losses)	**90**	(25)	**26**	(8)
	108	(29)	**29**	(6)
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	**(4)**	(4)	**5**	13
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	**(7)**	(4)	**(14)**	(3)
	(11)	(8)	**(9)**	10
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**(7)**	(10)	**(12)**	1
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(7)**	(12)	**(16)**	(22)
	(14)	(22)	**(28)**	(21)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	**37**	(10)	**38**	(7)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	**(9)**	3	**(3)**	13
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	**42**	(65)	**49**	(128)
	70	(72)	**84**	(122)
	153	(131)	**76**	(139)

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)

	Six months ended April 30	
	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	34	103
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	(22)	16
Common shares at end	9,805	3,413
Contributed surplus at beginning	85	68
Stock option expense (Note 14)	11	9
Stock options exercised	(4)	(11)
Replacement options related to the CWB acquisition (Note 14)	29	–
Other	(8)	(2)
Contributed surplus at end	113	64
Retained earnings at beginning	18,633	16,650
Net income attributable to the Bank's shareholders and holders of other equity instruments	1,893	1,829
Dividends on preferred shares and distributions on other equity instruments (Note 12)	(93)	(85)
Dividends on common shares (Note 12)	(837)	(720)
Issuance expenses for shares, net of income taxes	(11)	–
Remeasurements of pension plans and other post-employment benefit plans	98	(16)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	(10)	31
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	127	(333)
Impact of a financial liability resulting from put options written to non-controlling interests	(1)	1
Other	14	11
Retained earnings at end	19,813	17,368
Accumulated other comprehensive income at beginning	219	420
Net foreign currency translation adjustments	(63)	(57)
Net change in unrealized gains (losses) on debt securities at fair value through other comprehensive income	(27)	24
Net change in gains (losses) on instruments designated as cash flow hedges	(70)	(53)
Accumulated other comprehensive income at end	59	334
Equity attributable to the Bank's shareholders and holders of other equity instruments	32,904	24,329
Non-controlling interests at beginning	–	2
Net income attributable to non-controlling interests	–	(1)
Other	1	–
Non-controlling interests at end	1	1
Equity	32,905	24,330

Accumulated Other Comprehensive Income

	As at April 30,2025	As at April 30, 2024
Accumulated other comprehensive income		
Net foreign currency translation adjustments	257	250
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	(53)	(11)
Net gains (losses) on instruments designated as cash flow hedges	(147)	93
Share in the other comprehensive income of associates and joint ventures	2	2
	59	334

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)

	Six months ended April 30	
	2025	2024
Cash flows from operating activities		
Net income	1,893	1,828
Adjustments for		
Provisions for credit losses	799	258
Amortization of premises and equipment, including right-of-use assets	138	112
Amortization of intangible assets	154	143
Deferred taxes	(173)	(22)
Losses (gains) on sales of non-trading securities, net	(45)	(63)
Share in the net income of associates and joint ventures	(4)	(4)
Stock option expense	11	9
Gain on the fair value remeasurement of an equity interest (Note 18)	(4)	–
Change in operating assets and liabilities		
Securities at fair value through profit or loss	(17,157)	(6,186)
Securities purchased under reverse repurchase agreements and securities borrowed	(4,571)	(9,897)
Loans and acceptances, net of securitization	(4,652)	(11,112)
Deposits	21,101	18,708
Obligations related to securities sold short	429	(2,780)
Obligations related to securities sold under repurchase agreements and securities loaned	2,791	3,147
Derivative financial instruments, net	1,083	4,212
Securitization – Credit cards	(49)	–
Interest and dividends receivable and interest payable	342	194
Current tax assets and liabilities	23	24
Other items	649	(970)
	2,758	(2,399)
Cash flows from financing activities		
Redemption of preferred shares for cancellation	(300)	–
Issuances of common shares (including the impact of shares purchased for trading)	8	108
Issuance of subordinated debt	1,000	500
Issuance expenses for shares	(11)	–
Repayments of lease liabilities	(46)	(63)
Dividends paid on shares and distributions on other equity instruments	(933)	(804)
	(282)	(259)
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	(16,734)	(7,716)
Maturities of non-trading securities	5,269	2,546
Sales of non-trading securities	9,333	2,900
Net change in premises and equipment, excluding right-of-use assets	(115)	(322)
Net change in intangible assets	(111)	(125)
	(2,212)	(2,707)
Impact of currency rate movements on cash and cash equivalents	(391)	(191)
Increase (decrease) in cash and cash equivalents	(127)	(5,556)
Cash and cash equivalents at beginning	31,549	35,234
Cash and cash equivalents at end(1)	31,422	29,678
Supplementary information about cash flows from operating activities		
Interest paid	7,827	8,065
Interest and dividends received	10,346	9,645
Income taxes paid	539	588

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 $14.7 billion as at April 30, 2025 ($11.7 billion as at October 31, 2024) for which there are restrictions and of which $6.6 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)

Note 1 – Basis of Presentation

On May 27, 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 six-month period ended April 30, 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 leases, which represents the minimum payments receivable from the lessee plus any unguaranteed residual value expected to be recovered at the end of the finance leases, 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 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.

<u>CWB acquisition – Valuation of Assets and Liabilities</u>

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 prepayments 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 deposits acquired. 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.

(unaudited) (millions of Canadian dollars)

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 April 30, 2025
	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	–	–	–	–	31,422	31,422	31,422	31,422
Securities	132,730	362	19,689	412	15,450	15,593	168,643	168,786
Securities purchased under reverse repurchase agreements and securities borrowed	–	–	–	–	20,836	20,836	20,836	20,836
Loans, net of allowances	15,997	–	–	–	269,731	271,429	285,728	287,426
Other								
Derivative financial instruments	13,649	–	–	–	–	–	13,649	13,649
Other assets	1,198	–	–	–	3,563	3,563	4,761	4,761
Financial liabilities								
Deposits(1)	–	29,249			358,725	359,698	387,974	388,947
Other								
Obligations related to securities sold short	13,871	–			–	–	13,871	13,871
Obligations related to securities sold under repurchase agreements and securities loaned	–	–			40,984	40,984	40,984	40,984
Derivative financial instruments	18,096	–			–	–	18,096	18,096
Liabilities related to transferred receivables	–	12,105			17,298	17,663	29,403	29,768
Other liabilities	–	–			5,389	5,389	5,389	5,389
Subordinated debt	–	–			2,822	2,862	2,822	2,862

(1) Includes embedded derivative financial instruments.

(unaudited) (millions of Canadian dollars)

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 April 30, 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.

(unaudited) (millions of Canadian dollars)

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 April 30, 2025, $5 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 2 to Level 1 as a result of changing market conditions ($5 million in securities classified as at fair value through profit or loss and $1 million in obligations related to securities sold short during the quarter ended April 30, 2024). Also, during the quarter ended April 30, 2025, $4 million in securities classified as at fair value through profit or loss were transferred from Level 1 to Level 2 as a result of changing market conditions (no transfer during the quarter ended April 30, 2024). During the six-month periods ended April 30, 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 April 30, 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	5,622	11,086	–	16,708
Canadian provincial and municipal governments	–	8,670	–	8,670
U.S. Treasury, other U.S. agencies and other foreign governments	1,907	2,460	–	4,367
Other debt securities	–	3,167	75	3,242
Equity securities	97,166	2,050	889	100,105
	104,695	27,433	964	133,092
At fair value through other comprehensive income				
Securities issued or guaranteed by				
Canadian government	1,206	5,949	–	7,155
Canadian provincial and municipal governments	–	4,274	–	4,274
U.S. Treasury, other U.S. agencies and other foreign governments	6,918	413	–	7,331
Other debt securities	–	929	–	929
Equity securities	–	236	176	412
	8,124	11,801	176	20,101
Loans	–	15,748	249	15,997
Other				
Derivative financial instruments	1,130	12,428	91	13,649
Other assets – Other items	–	1,135	63	1,198
	113,949	68,545	1,543	184,037
Financial liabilities				
Deposits(1)	–	33,711	–	33,711
Other				
Obligations related to securities sold short	6,286	7,585	–	13,871
Derivative financial instruments	1,299	16,749	48	18,096
Liabilities related to transferred receivables	–	12,105	–	12,105
	7,585	70,150	48	77,783

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

(unaudited) (millions of Canadian dollars)

			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 six-month period ended April 30, 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 six-month period ended April 30, 2025, there were no significant changes in the sensitivity analyses of Level 3 financial instruments.

(unaudited) (millions of Canadian dollars)

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.

				Six months ended April 30, 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 *Net income*[2]	**21**	**–**	**5**	**(17)**
Total realized and unrealized gains (losses) included in *Other comprehensive income*	**–**	**(18)**	**–**	**–**
Purchases	**399**	**15**	**–**	**–**
Sales	**(124)**	**(128)**	**(4)**	**–**
Issuances	**–**	**–**	**62**	**–**
Settlements and other	**–**	**–**	**(39)**	**(14)**
Financial instruments transferred into Level 3	**–**	**–**	**–**	**1**
Financial instruments transferred out of Level 3	**–**	**–**	**–**	**2**
Fair value as at April 30, 2025	**964**	**176**	**312**	**43**
Change in unrealized gains and losses included in *Net income* with respect to financial assets and financial liabilities held as at April 30, 2025[3]	**6**	**–**	**(1)**	**(17)**

				Six months ended April 30, 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 *Net income*[4]	36	–	7	(4)
Total realized and unrealized gains (losses) included in *Other comprehensive income*	–	(7)	–	–
Purchases	22	–	–	–
Sales	(11)	(9)	(2)	–
Issuances	–	–	10	–
Settlements and other	–	–	(25)	200
Financial instruments transferred into Level 3	–	–	–	(1)
Financial instruments transferred out of Level 3	–	–	–	2
Fair value as at April 30, 2024	598	362	280	182
Change in unrealized gains and losses included in *Net income* with respect to financial assets and financial liabilities held as at April 30, 2024[5]	81	–	7	(4)

(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 $9 million.
(3) Total unrealized gains (losses) included in *Non-interest income* was an unrealized loss of $12 million.
(4) Total gains (losses) included in *Non-interest income* was a gain of $39 million.
(5) Total unrealized gains (losses) included in *Non-interest income* was an unrealized gain of $84 million.

(unaudited) (millions of Canadian dollars)

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 April 30, 2025	Unrealized gains (losses) for the quarter ended April 30, 2025	Unrealized gains (losses) for the six months ended April 30, 2025	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	362	1	4	12
Financial liabilities designated at fair value through profit or loss				
Deposits(1)(2)	29,249	146	131	1,929
Liabilities related to transferred receivables	12,105	(66)	(160)	(38)
	41,354	80	(29)	1,891

	Carrying value as at April 30, 2024	Unrealized gains (losses) for the quarter ended April 30, 2024	Unrealized gains (losses) for the six months ended April 30, 2024	Unrealized gains (losses) since the initial recognition of the instrument
Financial assets designated at fair value through profit or loss				
Securities	417	(6)	2	(5)
Financial liabilities designated at fair value through profit or loss				
Deposits(1)(2)	22,953	11	(1,745)	2,165
Liabilities related to transferred receivables	10,231	75	(96)	451
	33,184	86	(1,841)	2,616

(1) For the quarter ended April 30, 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 gain of $151 million ($233 million loss for the quarter ended April 30, 2024). For the six-month period ended April 30, 2025, this change resulted in a gain of $176 million ($461 million loss for the six-month period ended April 30, 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.

(unaudited) (millions of Canadian dollars)

Note 5 – Securities

Credit Quality

As at April 30, 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 April 30, 2025
	Amortized cost	**Unrealized gross gains**	**Unrealized gross losses**	**Carrying value(2)**
Securities issued or guaranteed by				
Canadian government	**7,016**	**158**	**(19)**	**7,155**
Canadian provincial and municipal governments	**4,237**	**71**	**(34)**	**4,274**
U.S. Treasury, other U.S. agencies and other foreign governments	**7,195**	**146**	**(10)**	**7,331**
Other debt securities	**955**	**6**	**(32)**	**929**
Equity securities	**341**	**74**	**(3)**	**412**
	19,744	**455**	**(98)**	**20,101**

				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 $3 million as at April 30, 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 six-month period ended April 30, 2025, a dividend income amount of $18 million was recognized for these investments ($30 million for the six-month period ended April 30, 2024), including amounts of $1 million for investments that were sold during the six-month period ended April 30, 2025 ($2 million for investments that were sold during the six-month period ended April 30, 2024).

			Six months ended April 30, 2025			Six months ended April 30, 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	**(18)**	**5**	**(13)**	(7)	51	44
Designated at fair value through other comprehensive income	**15**	**66**	**81**	–	102	102
Sales(1)	**(128)**	**(194)**	**(322)**	(9)	(123)	(132)
Fair value at end	**176**	**236**	**412**	362	311	673

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

(unaudited) (millions of Canadian dollars)

Securities at Amortized Cost

	As at April 30, 2025	As at October 31, 2024
Securities issued or guaranteed by		
Canadian government	9,290	9,194
Canadian provincial and municipal governments	3,957	2,458
U.S. Treasury, other U.S. agencies and other foreign governments	260	687
Other debt securities	1,949	2,275
Gross carrying value	15,456	14,614
Allowances for credit losses	6	6
Carrying value	15,450	14,608

Gains (Losses) on Disposals of Securities at Amortized Cost

During the six-month periods ended April 30, 2025 and 2024, the Bank disposed of certain debt securities measured at amortized cost. The carrying value of these securities upon disposal was $195 million for the six-month period ended April 30, 2025 ($180 million for the six-month period ended April 30, 2024), and the Bank recognized gains of $5 million for the six-month period ended April 30, 2025 ($1 million for the six-month period ended April 30, 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 April 30, 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*.

(unaudited) (millions of Canadian dollars)

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

					As at April 30, 2025
	Non-impaired loans				
	Stage 1	Stage 2	Impaired loans	Loans at fair value through profit or loss(1)	Total
Residential mortgage					
Excellent	35,580	11	–	–	35,591
Good	17,115	169	–	–	17,284
Satisfactory	14,015	3,889	–	–	17,904
Special mention	366	784	–	–	1,150
Substandard	80	322	–	–	402
Default	–	–	147	–	147
IRB Approach	67,156	5,175	147	–	72,478
Standardized Approach	20,116	754	882	14,277	36,029
Gross carrying amount	87,272	5,929	1,029	14,277	108,507
Allowances for credit losses(2)	81	88	80	–	249
Carrying amount	87,191	5,841	949	14,277	108,258
Personal					
Excellent	22,188	96	–	–	22,284
Good	7,079	1,240	–	–	8,319
Satisfactory	7,379	2,025	–	–	9,404
Special mention	1,955	860	–	–	2,815
Substandard	47	294	–	–	341
Default	–	–	243	–	243
IRB Approach	38,648	4,515	243	–	43,406
Standardized Approach	3,836	88	203	–	4,127
Gross carrying amount	42,484	4,603	446	–	47,533
Allowances for credit losses(2)	104	135	169	–	408
Carrying amount	42,380	4,468	277	–	47,125
Credit card					
Excellent	342	–	–	–	342
Good	466	–	–	–	466
Satisfactory	846	21	–	–	867
Special mention	546	250	–	–	796
Substandard	45	156	–	–	201
Default	–	–	–	–	–
IRB Approach	2,245	427	–	–	2,672
Standardized Approach	157	6	–	–	163
Gross carrying amount	2,402	433	–	–	2,835
Allowances for credit losses(2)	38	127	–	–	165
Carrying amount	2,364	306	–	–	2,670
Business and government					
Excellent	4,875	4	–	1,525	6,404
Good	27,422	3	–	8	27,433
Satisfactory	38,075	12,281	–	143	50,499
Special mention	308	1,468	–	–	1,776
Substandard	2	673	–	–	675
Default	–	–	799	–	799
IRB Approach	70,682	14,429	799	1,676	87,586
Standardized Approach	35,534	4,787	840	44	41,205
Gross carrying amount	106,216	19,216	1,639	1,720	128,791
Allowances for credit losses(2)	335	353	428	–	1,116
Carrying amount	105,881	18,863	1,211	1,720	127,675
Total loans					
Gross carrying amount	238,374	30,181	3,114	15,997	287,666
Allowances for credit losses(2)	558	703	677	–	1,938
Carrying amount	237,816	29,478	2,437	15,997	285,728

(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.

(unaudited) (millions of Canadian dollars)

As at October 31, 2024

	Non-impaired loans				
	Stage 1	Stage 2	Impaired loans	Loans at fair value through profit or loss[1]	Total
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.

(unaudited) (millions of Canadian dollars)

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

The following table presents the credit risk exposures of off-balance-sheet commitments as at April 30, 2025 and as at October 31, 2024 according to credit quality and ECL impairment stage.

	As at April 30, 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	15,916	46	–	15,962	16,159	113	–	16,272
Good	4,675	351	–	5,026	3,492	415	–	3,907
Satisfactory	1,663	239	–	1,902	1,095	249	–	1,344
Special mention	431	131	–	562	381	112	–	493
Substandard	21	48	–	69	30	35	–	65
Default	–	–	2	2	–	–	1	1
Non-retail								
Excellent	13,650	–	–	13,650	13,071	–	–	13,071
Good	21,749	–	–	21,749	22,547	–	–	22,547
Satisfactory	15,714	7,658	–	23,372	15,513	6,351	–	21,864
Special mention	24	220	–	244	24	278	–	302
Substandard	21	167	–	188	2	52	–	54
Default	–	–	14	14	–	–	27	27
IRB Approach	73,864	8,860	16	82,740	72,314	7,605	28	79,947
Standardized Approach	29,683	883	61	30,627	18,968	–	–	18,968
Total exposure	103,547	9,743	77	113,367	91,282	7,605	28	98,915
Allowances for credit losses	165	86	2	253	142	72	–	214
Total exposure, net of allowances	103,382	9,657	75	113,114	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 April 30, 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	262	142	31	242	179	121	30	76
61 to 90 days	150	45	18	101	82	48	14	33
Over 90 days[2]	–	–	38	–	–	–	35	–
	412	187	87	343	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 April 30, 2025			As at October 31, 2024		
	Gross	Allowances for credit losses	Net	Gross	Allowances for credit losses	Net
Residential mortgage	1,029	80	949	859	50	809
Personal	446	169	277	445	135	310
Credit card[1]	–	–	–	–	–	–
Business and government	1,639	428	1,211	739	229	510
	3,114	677	2,437	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.

(unaudited) (millions of Canadian dollars)

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 April 30, 2025					
	Allowances for credit losses as at January 31, 2025	Provisions for credit losses	Write-offs[1]	Disposals	Recoveries and other	Allowances for credit losses as at April 30, 2025
Balance sheet						
Cash and deposits with financial institutions[2][3]	11	(2)	–	–	–	9
Securities[3]						
At fair value through other comprehensive income[4]	4	(1)	–	–	–	3
At amortized cost[2]	6	–	–	–	–	6
Securities purchased under reverse repurchase agreements and securities borrowed[2][3]	–	–	–	–	–	–
Loans[5]						
Residential mortgage	215	46	(8)	–	(4)	249
Personal	395	57	(42)	–	(2)	408
Credit card	157	34	(32)	–	6	165
Business and government	716	385	(16)	–	31	1,116
	1,483	522	(98)	–	31	1,938
Other assets[2][3]	–	–	–	–	–	–
Off-balance-sheet commitments[6]						
Letters of guarantee and documentary letters of credit	22	1	–	–	–	23
Undrawn commitments	200	24	–	–	–	224
Backstop liquidity and credit enhancement facilities	5	1	–	–	–	6
	227	26	–	–	–	253
	1,731	545	(98)	–	31	2,209

	Quarter ended April 30, 2024					
	Allowances for credit losses as at January 31, 2024	Provisions for credit losses	Write-offs[1]	Disposals	Recoveries and other	Allowances for credit losses as at April 30, 2024
Balance sheet						
Cash and deposits with financial institutions[2][3]	7	1	–	–	–	8
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	166	6	–	(2)	2	172
Personal	293	53	(30)	–	5	321
Credit card	144	23	(27)	–	3	143
Business and government	556	63	(89)	–	5	535
Customers' liability under acceptances	52	(12)	–	–	–	40
	1,211	133	(146)	(2)	15	1,211
Other assets[2][3]	–	–	–	–	–	–
Off-balance-sheet commitments[6]						
Letters of guarantee and documentary letters of credit	19	(1)	–	–	–	18
Undrawn commitments	166	6	–	–	–	172
Backstop liquidity and credit enhancement facilities	7	(1)	–	–	–	6
	192	4	–	–	–	196
	1,416	138	(146)	(2)	15	1,421

(1) The contractual amount outstanding on financial assets that were written off during the quarter ended April 30, 2025 and that are still subject to enforcement activity was $63 million ($41 million for the quarter ended April 30, 2024).
(2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.
(3) As at April 30, 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.

(unaudited) (millions of Canadian dollars)

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

	Six months ended April 30, 2025					
	Allowances for credit losses as at October 31, 2024	**Provisions for credit losses**	**Write-offs(1)**	**Disposals**	**Recoveries and other**	**Allowances for credit losses as at April 30, 2025**
Balance sheet						
Cash and deposits with financial institutions(2)(3)	**9**	**–**	**–**	**–**	**–**	**9**
Securities(3)						
At fair value through other comprehensive income(4)	**3**	**–**	**–**	**–**	**–**	**3**
At amortized cost(2)	**6**	**–**	**–**	**–**	**–**	**6**
Securities purchased under reverse repurchase agreements and securities borrowed(2)(3)	**–**	**–**	**–**	**–**	**–**	**–**
Loans(5)						
Residential mortgage	**197**	**60**	**(9)**	**–**	**1**	**249**
Personal	**360**	**123**	**(80)**	**–**	**5**	**408**
Credit card	**156**	**62**	**(63)**	**–**	**10**	**165**
Business and government	**628**	**515**	**(61)**	**–**	**34**	**1,116**
	1,341	**760**	**(213)**	**–**	**50**	**1,938**
Other assets(2)(3)	**–**	**–**	**–**	**–**	**–**	**–**
Off-balance-sheet commitments(6)						
Letters of guarantee and documentary letters of credit	**21**	**2**	**–**	**–**	**–**	**23**
Undrawn commitments	**188**	**36**	**–**	**–**	**–**	**224**
Backstop liquidity and credit enhancement facilities	**5**	**1**	**–**	**–**	**–**	**6**
	214	**39**	**–**	**–**	**–**	**253**
	1,573	**799**	**(213)**	**–**	**50**	**2,209**

	Six months ended April 30, 2024					
	Allowances for credit losses as at October 31, 2023	Provisions for credit losses	Write-offs(1)	Disposals	Recoveries and other	Allowances for credit losses as at April 30, 2024
Balance sheet						
Cash and deposits with financial institutions(2)(3)	10	(2)	–	–	–	8
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	21	(1)	(2)	–	172
Personal	271	97	(53)	–	6	321
Credit card	139	50	(53)	–	7	143
Business and government	567	86	(133)	–	15	535
Customers' liability under acceptances	53	(13)	–	–	–	40
	1,184	241	(240)	(2)	28	1,211
Other assets(2)(3)	–	–	–	–	–	–
Off-balance-sheet commitments(6)						
Letters of guarantee and documentary letters of credit	16	2	–	–	–	18
Undrawn commitments	152	20	–	–	–	172
Backstop liquidity and credit enhancement facilities	8	(2)	–	–	–	6
	176	20	–	–	–	196
	1,377	258	(240)	(2)	28	1,421

(1) The contractual amount outstanding on financial assets that were written off during the six-month period ended April 30, 2025 and that are still subject to enforcement activity was $114 million ($76 million for the six-month period ended April 30, 2024).
(2) These financial assets are presented net of the allowances for credit losses on the Consolidated Balance Sheet.
(3) As at April 30, 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.

(unaudited) (millions of Canadian dollars)

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 April 30, 2025				Quarter ended April 30, 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	63	86	66	215	71	91	4	166
Originations or purchases[2]	15	–	–	15	4	–	–	4
Transfers[3]:								
to Stage 1	11	(10)	(1)	–	16	(14)	(2)	–
to Stage 2	(2)	8	(6)	–	(2)	7	(5)	–
to Stage 3	–	(4)	4	–	–	(4)	4	–
Net remeasurement of loss allowances[4]	(4)	11	28	35	(16)	7	18	9
Derecognitions[5]	(1)	(1)	(2)	(4)	(2)	(1)	(4)	(7)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	19	4	23	46	–	(5)	11	6
Write-offs	–	–	(8)	(8)	–	–	–	–
Disposals	–	–	–	–	(2)	–	–	(2)
Recoveries	–	–	2	2	–	–	–	–
Foreign exchange movements and other	(1)	(2)	(3)	(6)	1	1	–	2
Balance at end	81	88	80	249	70	87	15	172
Includes:								
Amounts drawn	81	88	80	249	70	87	15	172
Undrawn commitments[6]	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	111	140	153	404	97	116	90	303
Originations or purchases	10	–	–	10	6	–	–	6
Transfers[3]:								
to Stage 1	26	(22)	(4)	–	22	(19)	(3)	–
to Stage 2	(10)	12	(2)	–	(7)	9	(2)	–
to Stage 3	–	(24)	24	–	(1)	(19)	20	–
Net remeasurement of loss allowances[4]	(20)	38	40	58	(19)	44	30	55
Derecognitions[5]	(2)	(3)	(2)	(7)	(3)	(3)	(1)	(7)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	4	1	56	61	(2)	12	44	54
Write-offs	–	–	(42)	(42)	–	–	(30)	(30)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	5	5	–	–	4	4
Foreign exchange movements and other	(3)	(1)	(3)	(7)	2	–	(1)	1
Balance at end	112	140	169	421	97	128	107	332
Includes:								
Amounts drawn	104	135	169	408	91	123	107	321
Undrawn commitments[6]	8	5	–	13	6	5	–	11

(1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the quarter ended April 30, 2025 was $379 million (no POCI loans had been acquired during the quarter ended April 30, 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.

(unaudited) (millions of Canadian dollars)

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

	Quarter ended April 30, 2025				Quarter ended April 30, 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	78	143	–	221	59	131	–	190
Originations or purchases[2]	5	–	–	5	3	–	–	3
Transfers[3]:								
to Stage 1	35	(35)	–	–	26	(26)	–	–
to Stage 2	(7)	7	–	–	(5)	5	–	–
to Stage 3	–	(15)	15	–	(1)	(11)	12	–
Net remeasurement of loss allowances[4]	(39)	62	11	34	(24)	33	12	21
Derecognitions[5]	(1)	–	–	(1)	–	(1)	–	(1)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	(7)	19	26	38	(1)	–	24	23
Write-offs	–	–	(32)	(32)	–	–	(27)	(27)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	6	6	–	–	3	3
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	71	162	–	233	58	131	–	189
Includes:								
Amounts drawn	38	127	–	165	33	110	–	143
Undrawn commitments[6]	33	35	–	68	25	21	–	46
Business and government								
Balance at beginning	318	238	287	843	276	213	229	718
Originations or purchases[2]	246	–	–	246	28	–	–	28
Transfers[3]:								
to Stage 1	13	(12)	(1)	–	9	(9)	–	–
to Stage 2	(116)	119	(3)	–	(10)	13	(3)	–
to Stage 3	(2)	(6)	8	–	–	(6)	6	–
Net remeasurement of loss allowances[4]	(2)	71	123	192	(3)	19	33	49
Derecognitions[5]	(18)	(17)	(2)	(37)	(13)	(9)	1	(21)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	121	155	125	401	11	8	37	56
Write-offs	–	–	(16)	(16)	–	–	(89)	(89)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	41	41	–	–	4	4
Foreign exchange movements and other	(3)	–	(7)	(10)	–	–	1	1
Balance at end	436	393	430	1,259	287	221	182	690
Includes:								
Amounts drawn	335	353	428	1,116	198	195	182	575
Undrawn commitments[6]	101	40	2	143	89	26	–	115
Total allowances for credit losses at end[7]	700	783	679	2,162	512	567	304	1,383
Includes:								
Amounts drawn	558	703	677	1,938	392	515	304	1,211
Undrawn commitments[6]	142	80	2	224	120	52	–	172

(1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the quarter ended April 30, 2025 was $379 million (no POCI loans had been acquired during the quarter ended April 30,2024). 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.

(unaudited) (millions of Canadian dollars)

	Six months ended April 30, 2025				Six months ended April 30, 2024			
	Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans(1)		Allowances for credit losses on non-impaired loans		Allowances for credit losses on impaired loans(1)	
	Stage 1	Stage 2		Total	Stage 1	Stage 2		Total
Residential mortgage								
Balance at beginning	62	85	50	197	69	93	(8)	154
Originations or purchases(2)	19	–	–	19	6	–	–	6
Transfers(3):								
to Stage 1	24	(22)	(2)	–	32	(28)	(4)	–
to Stage 2	(4)	14	(10)	–	(5)	14	(9)	–
to Stage 3	–	(9)	9	–	–	(17)	17	–
Net remeasurement of loss allowances(4)	(19)	22	46	49	(24)	40	18	34
Derecognitions(5)	(2)	(2)	(4)	(8)	(4)	(3)	(6)	(13)
Changes to models	–	–	–	–	(2)	(12)	8	(6)
Provisions for credit losses	18	3	39	60	3	(6)	24	21
Write-offs	–	–	(9)	(9)	–	–	(1)	(1)
Disposals	–	–	–	–	(2)	–	–	(2)
Recoveries	–	–	3	3	–	–	–	–
Foreign exchange movements and other	1	–	(3)	(2)	–	–	–	–
Balance at end	81	88	80	249	70	87	15	172
Includes:								
Amounts drawn	81	88	80	249	70	87	15	172
Undrawn commitments(6)	–	–	–	–	–	–	–	–
Personal								
Balance at beginning	107	127	135	369	95	114	72	281
Originations or purchases	20	–	–	20	13	–	–	13
Transfers(3):								
to Stage 1	52	(46)	(6)	–	43	(38)	(5)	–
to Stage 2	(21)	24	(3)	–	(12)	15	(3)	–
to Stage 3	–	(44)	44	–	(1)	(37)	38	–
Net remeasurement of loss allowances(4)	(41)	85	77	121	(36)	83	50	97
Derecognitions(5)	(4)	(6)	(4)	(14)	(5)	(7)	(2)	(14)
Changes to models	–	–	–	–	–	(1)	3	2
Provisions for credit losses	6	13	108	127	2	15	81	98
Write-offs	–	–	(80)	(80)	–	–	(53)	(53)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	9	9	–	–	8	8
Foreign exchange movements and other	(1)	–	(3)	(4)	–	(1)	(1)	(2)
Balance at end	112	140	169	421	97	128	107	332
Includes:								
Amounts drawn	104	135	169	408	91	123	107	321
Undrawn commitments(6)	8	5	–	13	6	5	–	11

(1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the six-month period ended April 30, 2025 was $379 million (no POCI loans had been acquired during the six-month period ended April 30, 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.

(unaudited) (millions of Canadian dollars)

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

	Six months ended April 30, 2025				Six months ended April 30, 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]	8	–	–	8	5	–	–	5
Transfers[3]:								
to Stage 1	62	(62)	–	–	55	(55)	–	–
to Stage 2	(13)	13	–	–	(10)	10	–	–
to Stage 3	–	(28)	28	–	(1)	(21)	22	–
Net remeasurement of loss allowances[4]	(54)	98	25	69	(49)	71	24	46
Derecognitions[5]	(2)	–	–	(2)	(1)	(1)	–	(2)
Changes to models	–	–	–	–	–	–	–	–
Provisions for credit losses	1	21	53	75	(1)	4	46	49
Write-offs	–	–	(63)	(63)	–	–	(53)	(53)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	10	10	–	–	7	7
Foreign exchange movements and other	–	–	–	–	–	–	–	–
Balance at end	71	162	–	233	58	131	–	189
Includes:								
Amounts drawn	38	127	–	165	33	110	–	143
Undrawn commitments[6]	33	35	–	68	25	21	–	46
Business and government								
Balance at beginning	308	215	229	752	251	220	244	715
Originations or purchases[2]	283	–	–	283	67	–	–	67
Transfers[3]:								
to Stage 1	27	(26)	(1)	–	18	(17)	(1)	–
to Stage 2	(128)	134	(6)	–	(23)	27	(4)	–
to Stage 3	(2)	(11)	13	–	–	(8)	8	–
Net remeasurement of loss allowances[4]	(24)	110	224	310	(4)	19	53	68
Derecognitions[5]	(27)	(29)	(3)	(59)	(21)	(15)	(2)	(38)
Changes to models	–	–	–	–	–	(5)	1	(4)
Provisions for credit losses	129	178	227	534	37	1	55	93
Write-offs	–	–	(61)	(61)	–	–	(133)	(133)
Disposals	–	–	–	–	–	–	–	–
Recoveries	–	–	43	43	–	–	18	18
Foreign exchange movements and other	(1)	–	(8)	(9)	(1)	–	(2)	(3)
Balance at end	436	393	430	1,259	287	221	182	690
Includes:								
Amounts drawn	335	353	428	1,116	198	195	182	575
Undrawn commitments[6]	101	40	2	143	89	26	–	115
Total allowances for credit losses at end[7]	700	783	679	2,162	512	567	304	1,383
Includes:								
Amounts drawn	558	703	677	1,938	392	515	304	1,211
Undrawn commitments[6]	142	80	2	224	120	52	–	172

(1) The total amount of undiscounted initially expected credit losses on the POCI loans acquired during the six-month period ended April 30, 2025 was $379 million (no POCI loans had been acquired during the six-month period ended April 30,2024). 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.

(unaudited) (millions of Canadian dollars)

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 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 January 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]	1.4 %	1.7 %	1.6 %	2.1 %	(5.4) %	2.7 %
Unemployment rate	7.0 %	6.5 %	6.7 %	6.0 %	8.9 %	8.1 %
Housing price index growth[2]	6.4 %	2.7 %	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]	(8.4) %	2.8 %	4.0 %	3.0 %	(25.6) %	5.5 %
WTI oil price[5] *(US$ per barrel)*	67	69	82	78	41	51

						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.

(unaudited) (millions of Canadian dollars)

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

During the quarter ended April 30, 2025, the macroeconomic outlook deteriorated slightly, and uncertainty remained high.

After imposing tariffs on specific products and certain countries (notably Canada), the U.S. administration presented its reciprocal tariff plan at the beginning of April, before announcing a 90-day pause. Escalating trade tensions between China and the United States have led to prohibitive tariffs between the two great powers. As a result, the U.S. is imposing tariffs on its trading partners at an effective rate that is at levels not seen in decades. While Canada has been somewhat spared, as products covered by the Canada-United States-Mexico Agreement (CUSMA) are not subject to tariffs, the situation continues to be marked by high uncertainty. The risks of escalation and a lack of visibility are paralyzing businesses, which are placing their investment plans on hold. The labour market is deteriorating once again. Fortunately, inflation is under control, allowing the Bank of Canada to continue easing its monetary policy. In the base scenario, Canada's unemployment rate stands at 7.3% after 12 months, an increase of 0.7 percentage point. In addition to the deterioration in the labour market, housing prices are down slightly, as economic uncertainty is dampening the enthusiasm of potential buyers. Instead, housing prices fall 0.3% year over year. The S&P/TSX sits at 22,831 points after one year, and the price of oil is at US$61.

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. The Canadian and U.S. governments continue to expand spending, offsetting the effects of the restrictive monetary policies. 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 (0.8 percentage point lower). Housing prices rise 9.7%, the S&P/TSX sits at 26,109 points after one year, and the price of oil is at US$83.

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 9.6%. House prices fall sharply (-13.9%). The S&P/TSX sits at 18,680 points after one year, and the price of oil is at US$36.

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 April 30, 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 April 30, 2025	1,483
Simulations	
100% upside scenario	**1,068**
100% base scenario	**1,215**
100% downside scenario	**1,861**

(unaudited) (millions of Canadian dollars)

Finance leases

As part of the CWB acquisition, the Bank acquired finance leases for a fair value amount of $3,625 million. As at April 30, 2025, the amount recognized as net investment in finance leases included in business and government loans was $3,609 million and the related allowance for expected credit losses recorded was $48 million.

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

	As at April 30, 2025
1 year or less	**1,325**
Over 1 year to 2 years	**1,050**
Over 2 years to 3 years	**762**
Over 3 years to 4 years	**471**
Over 4 years to 5 years	**220**
Over 5 years	**52**
Undiscounted lease payments	**3,880**
Unearned finance income	**(271)**
Net investment in finance leases(1)	**3,609**

(1) Interest income totalled $42 million for the six-month period ended April 30, 2025.

Note 7 – Other Assets

	As at April 30, 2025	As at October 31, 2024
Receivables, prepaid expenses and other items	**3,226**	3,579
Interest and dividends receivable	**1,707**	1,742
Due from clients, dealers and brokers	**955**	1,302
Defined benefit asset	**638**	487
Deferred tax assets	**968**	828
Current tax assets	**766**	669
Reinsurance contract assets	**23**	22
Insurance contract assets	**43**	41
Investments in associates and joint ventures	**43**	40
Commodities(1)	**469**	573
	8,838	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.

(unaudited) (millions of Canadian dollars)

Note 8 – Deposits

				As at April 30, 2025	As at October 31, 2024
	On demand(1)	After notice(2)	Fixed term(3)	Total	Total
Personal	7,113	52,300	62,595	122,008	95,181
Business and government(4)	65,302	32,613	160,174	258,089	232,730
Deposit-taking institutions	2,068	395	5,414	7,877	5,634
	74,483	85,308	228,183	387,974	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 April 30, 2025 ($11.4 billion as at October 31, 2024). During the six-month period ended April 30, 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 six-month period ended April 30, 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 April 30, 2025, the *Deposits – Business and government* item also includes deposits of $23.4 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 April 30, 2025	As at October 31, 2024
Accounts payable and accrued expenses	3,174	3,433
Subsidiaries' debts to third parties	381	236
Interest and dividends payable	2,594	2,290
Lease liabilities	620	472
Due to clients, dealers and brokers	1,067	853
Defined benefit liability	105	103
Allowances for credit losses – Off-balance-sheet commitments (Note 6)	253	214
Deferred tax liabilities	260	69
Current tax liabilities	243	123
Insurance contract liabilities	26	28
Other items(1)(2)(3)	1,416	865
	10,139	8,686

(1) As at April 30, 2025, *Other items* included provisions for litigation of $9 million ($10 million as at October 31, 2024).
(2) As at April 30, 2025, *Other items* included provisions for onerous contracts of $13 million ($18 million as at October 31, 2024).
(3) As at April 30, 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 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. 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 (Canadian Overnight Repo Rate Average) plus 1.56%. With the prior approval of the Office of the Superintendent of Financial Institutions (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. Given that the medium-term notes satisfy the non-viability contingent capital (NVCC) requirements, they qualify for the purposes of calculating regulatory capital under Basel III.

As part of the CWB acquisition, the Bank acquired subordinated debentures 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 will be payable semi-annually at a rate of 4.840% per annum until June 29, 2025 and, thereafter, will be payable quarterly at a floating rate equal to Daily Compounded CORRA plus 4.102%. With the prior approval of OSFI, the Bank may, at its option, redeem these debentures as of June 29, 2025, in whole or in part, at their nominal value plus accrued and unpaid interest. On May 2, 2025, the Bank provided notice to the holders of its intention to redeem on June 29, 2025, these debentures, at a redemption price equal to the outstanding principal amount and all 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 debentures as of December 22, 2027, in whole or in part, at their nominal value 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 debentures as of January 29, 2029, in whole or in part, at their nominal value plus accrued and unpaid interest.

Given that the subordinated debentures satisfy the NVCC requirements, they qualify for the purposes of calculating regulatory capital under Basel III.

(unaudited) (millions of Canadian dollars)

Note 12 – Share Capital and Other Equity Instruments

Shares and Other Equity Instruments Outstanding

	As at April 30, 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	460,890	34	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)	(155,940)	(22)	161,646	23
Common shares at end of period	391,321,704	9,805	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 April 30, 2025, a total of 32,431 shares were sold short for trading, representing $4 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

	Six months ended April 30			
	2025		2024	
	Dividends or interest $	Dividends per share	Dividends or interest $	Dividends per share
First Preferred Shares				
Series 30	11	0.7739	7	0.5031
Series 32	3	0.2399	6	0.4799
Series 38	14	0.8784	14	0.8784
Series 40	9	0.7273	9	0.7273
Series 42	10	0.8820	10	0.8820
Series 47	2	0.3982	–	–
Series 49	2	0.4782	–	–
	51		46	
Other equity instruments				
LRCN – Series 1(1)	10		10	
LRCN – Series 2(2)	10		10	
LRCN – Series 3(3)	19		19	
LRCN – Series 1 and 2 of CWB(4)	3		–	
	42		39	
Preferred shares and other equity instruments	93		85	
Common shares	837	2.2800	720	2.1200
	930		805	

(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.

(unaudited) (millions of Canadian dollars)

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 six-month periods ended April 30, 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 six-month period ended April 30, 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 April 30, 2025	As at October 31, 2024
Capital		
CET1	**24,514**	19,321
Tier 1	**27,603**	22,470
Total capital	**30,930**	24,001
Risk-weighted assets	**182,772**	140,975
Total exposure	**585,319**	511,160
Capital ratios		
CET1	**13.4 %**	13.7 %
Tier 1	**15.1 %**	15.9 %
Total	**16.9 %**	17.0 %
Leverage ratio	**4.7 %**	4.4 %
Available TLAC	**51,508**	44,040
TLAC ratio	**28.2 %**	31.2 %
TLAC leverage ratio	**8.8 %**	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*.

(unaudited) (millions of Canadian dollars)

Note 14 – Share-Based Payments

Stock Option Plan

During the quarters ended April 30, 2025 and 2024, the Bank did not award any stock options. During the six-month period ended April 30, 2025, the Bank awarded 1,004,492 stock options (1,222,652 stock options during the six-month period ended April 30, 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 quarter ended April 30, 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 April 30, 2025, there were 11,671,264 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.

	Six months ended April 30	
	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.

	Six months ended April 30
	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 April 30, 2025, a $6 million compensation expense was recorded for this plan ($5 million for the quarter ended April 30, 2024). During the six-month period ended April 30, 2025, a $11 million compensation expense was recorded for this plan ($9 million for the six-month period ended April 30, 2024).

Replacement Restricted Stock Units (RSUs)

In connection with the CWB acquisition, during the quarter ended April 30, 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.

(unaudited) (millions of Canadian dollars)

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 April 30
	Pension plans		Other post-employment benefit plans	
	2025	2024	**2025**	2024
Current service cost	**27**	21	**–**	–
Interest expense (income), net	**(5)**	(5)	**1**	2
Administrative costs	**1**	1		
Expense of the defined benefit component	**23**	17	**1**	2
Expense of the defined contribution component	**9**	5		
Expense recognized in *Net income*	**32**	22	**1**	2
Remeasurements[1]				
Actuarial (gains) losses on the defined benefit obligation	**(218)**	(233)	**(3)**	(3)
Return on plan assets[2]	**90**	270		
Remeasurements recognized in *Other comprehensive income*	**(128)**	37	**(3)**	(3)
	(96)	59	**(2)**	(1)

				Six months ended April 30
	Pension plans		Other post-employment benefit plans	
	2025	2024	**2025**	2024
Current service cost	**54**	41	**–**	–
Interest expense (income), net	**(10)**	(9)	**2**	3
Administrative costs	**2**	2		
Expense of the defined benefit component	**46**	34	**2**	3
Expense of the defined contribution component	**16**	9		
Expense recognized in *Net income*	**62**	43	**2**	3
Remeasurements[1]				
Actuarial (gains) losses on the defined benefit obligation	**(106)**	271	**(1)**	5
Return on plan assets[2]	**(29)**	(253)		
Remeasurements recognized in *Other comprehensive income*	**(135)**	18	**(1)**	5
	(73)	61	**1**	8

(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 April 30, 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 six-month period ended April 30, 2025, the Bank estimates that the application of the Pillar 2 rules represents an increase in the effective tax rate of 1.9%. For the quarter ended April 30, 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 April 30		Six months ended April 30	
	2025	2024	**2025**	2024
Basic earnings per share				
Net income attributable to the Bank's shareholders and holders of other equity instruments	**896**	907	**1,893**	1,829
Dividends on preferred shares and distributions on other equity instruments	**43**	37	**82**	74
Net income attributable to common shareholders	**853**	870	**1,811**	1,755
Weighted average basic number of common shares outstanding *(thousands)*	**390,124**	339,558	**365,022**	339,111
Basic earnings per share *(dollars)*	**2.19**	2.56	**4.96**	5.18
Diluted earnings per share				
Net income attributable to common shareholders	**853**	870	**1,811**	1,755
Weighted average basic number of common shares outstanding *(thousands)*	**390,124**	339,558	**365,022**	339,111
Adjustment to average number of common shares *(thousands)*				
Stock options(1)	**3,754**	3,223	**4,045**	2,792
Weighted average diluted number of common shares outstanding *(thousands)*	**393,878**	342,781	**369,067**	341,903
Diluted earnings per share *(dollars)*	**2.17**	2.54	**4.91**	5.13

(1) For the quarter April 30, 2025, the calculation of diluted earnings per share excluded an average number of 999,490 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 six-month period ended April 30, 2025, the calculation of diluted earnings per share excluded an average number of 791,144 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 six-month period ended April 30, 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 Bank carries out its activities in four business segments, which are defined below. For presentation purposes, other activities are grouped in the *Other* heading. Each reportable segment is distinguished by services offered, type of clientele, and marketing strategy.

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.

Personal and Commercial
The Personal and Commercial segment encompasses the banking, financing, and investing services offered to individuals, advisors, and businesses as well as insurance operations.

Wealth Management
The Wealth Management segment comprises investment solutions, trust services, banking services, lending services, and other wealth management solutions offered through internal and third-party distribution networks.

Financial Markets
The Financial Markets segment encompasses corporate banking and investment banking and financial solutions for large and mid-size corporations, public sector organizations, and institutional investors.

U.S. Specialty Finance and International (USSF&I)
The USSF&I segment encompasses the specialty finance expertise provided by the Credigy subsidiary; the activities of the ABA Bank subsidiary, which offers financial products and services to individuals and businesses in Cambodia; and the activities of targeted investments in certain emerging markets.

Other
This heading encompasses treasury activities; liquidity management; Bank funding; asset/liability management activities; the activities of the Flinks subsidiary, a fintech company specialized in financial data aggregation and distribution; certain specified items; and the unallocated portion of corporate units.

(unaudited) (millions of Canadian dollars)

Quarter ended April 30[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	**1,146**	870	**230**	203	**(505)**	(671)	**356**	318	**(22)**	(85)	**1,205**	635
Non-interest income	**270**	261	**561**	480	**1,606**	1,352	**34**	32	**(26)**	(10)	**2,445**	2,115
Total revenues	**1,416**	1,131	**791**	683	**1,101**	681	**390**	350	**(48)**	(95)	**3,650**	2,750
Non-interest expenses[2][3]	**804**	612	**476**	400	**403**	312	**117**	108	**142**	40	**1,942**	1,472
Income before provisions for credit losses and income taxes	**612**	519	**315**	283	**698**	369	**273**	242	**(190)**	(135)	**1,708**	1,278
Provisions for credit losses[4]	**426**	89	**(1)**	–	**64**	11	**59**	37	**(3)**	1	**545**	138
Income before income taxes (recovery)	**186**	430	**316**	283	**634**	358	**214**	205	**(187)**	(136)	**1,163**	1,140
Income taxes (recovery)	**54**	119	**84**	78	**133**	36	**45**	42	**(49)**	(41)	**267**	234
Net income	**132**	311	**232**	205	**501**	322	**169**	163	**(138)**	(95)	**896**	906
Non-controlling interests	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(1)	**–**	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	**132**	311	**232**	205	**501**	322	**169**	163	**(138)**	(94)	**896**	907
Average assets[5]	**208,658**	156,736	**10,754**	8,963	**224,314**	194,158	**33,101**	27,402	**74,605**	67,777	**551,432**	455,036
Total assets	**210,502**	159,359	**10,968**	9,369	**213,679**	183,123	**31,613**	28,156	**69,432**	61,683	**536,194**	441,690

Six months ended April 30[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[6]	**2,090**	1,740	**457**	401	**(1,014)**	(1,224)	**726**	619	**(82)**	(150)	**2,177**	1,386
Non-interest income[7]	**530**	545	**1,110**	942	**3,022**	2,552	**69**	57	**(75)**	(22)	**4,656**	4,074
Total revenues	**2,620**	2,285	**1,567**	1,343	**2,008**	1,328	**795**	676	**(157)**	(172)	**6,833**	5,460
Non-interest expenses[2][3]	**1,445**	1,227	**917**	790	**770**	625	**240**	208	**216**	71	**3,588**	2,921
Income before provisions for credit losses and income taxes	**1,175**	1,058	**650**	553	**1,238**	703	**555**	468	**(373)**	(243)	**3,245**	2,539
Provisions for credit losses[4]	**588**	160	**1**	–	**100**	28	**110**	73	**–**	(3)	**799**	258
Income before income taxes (recovery)	**587**	898	**649**	553	**1,138**	675	**445**	395	**(373)**	(240)	**2,446**	2,281
Income taxes (recovery)	**165**	248	**175**	152	**220**	45	**93**	82	**(100)**	(74)	**553**	453
Net income	**422**	650	**474**	401	**918**	630	**352**	313	**(273)**	(166)	**1,893**	1,828
Non-controlling interests	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(1)	**–**	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	**422**	650	**474**	401	**918**	630	**352**	313	**(273)**	(165)	**1,893**	1,829
Average assets[5]	**186,905**	155,874	**10,681**	8,834	**217,949**	192,280	**32,134**	26,706	**71,627**	65,089	**519,296**	448,783
Total assets	**210,502**	159,359	**10,968**	9,369	**213,679**	183,123	**31,613**	28,156	**69,432**	61,683	**536,194**	441,690

(1) Certain comparative amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
(2) During the quarter ended April 30, 2025, the Bank recorded acquisition and integration charges of $118 million ($86 million net of income taxes) in the Personal and Commercial segment ($1 million), in the Wealth Management segment ($3 million) and in the *Other* heading ($114 million) related to the CWB acquisition. For the six-month period ended April 30, 2025, these charges were $144 million ($105 million, net of income taxes).
(3) During the quarter and six-month period ended April 30, 2025 the Bank recorded an amount of $24 million ($18 million, net of income taxes) in the Personal and Commercial segment ($23 million) and in the Wealth Management segment ($1 million), to reflect the amortization of intangible assets related to the CWB acquisition.
(4) During the quarter and six-month period ended April 30, 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.
(5) 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.
(6) During the six-month period ended April 30, 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 to these Consolidated Financial Statements).
(7) 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. Also, 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. All these items were recorded in the *Other* heading.

(unaudited) (millions of Canadian dollars)

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 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 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 six-month period ended April 30, 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 six-month period ended April 30, 2025, the acquisition and integration costs of $144 million are included in the *Non-Interest expenses* in the Consolidated Statement of Income ($118 million for the quarter ended April 30, 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 $298 million to the Bank's total revenues and a net loss of approximately $147 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 $7,137 million and net income of approximately $1,975 million for the six-month period ended April 30, 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 non-viability contingent capital 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.

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 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.

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).

NATIONAL BANK