NATIONAL BANK

Press Release
First Quarter
2025

National Bank reports its results for the First Quarter of 2025

The financial information reported in this document is based on the unaudited interim condensed Consolidated Financial Statements for the quarter ended January 31, 2025 and is prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated. IFRS Accounting Standards represent Canadian generally accepted accounting principles (GAAP). All amounts are presented in Canadian dollars.

MONTREAL, February 26, 2025 – For the first quarter of 2025, National Bank is reporting net income of $997 million, up 8% from $922 million in the first quarter of 2024. First-quarter diluted earnings per share stood at $2.78 compared to $2.59 in the first quarter of 2024. These increases were driven by total revenue growth in all of the business segments, partly offset by increases in non-interest expenses and provisions for credit losses. The Bank's income before provisions for credit losses and income taxes totalled $1,537 million in the first quarter of 2025 compared to $1,261 million in the first quarter of 2024, a 22% increase owing to good performance in all of the business segments, in particular, in Financial Markets and Wealth Management. Adjusted net income(1), which excludes specified items(1) related to the acquisition of Canadian Western Bank (CWB), totalled $1,050 million in the first quarter of 2025 from net income of $922 million in the same quarter of 2024. Adjusted diluted earnings per share(1) stood at $2.93, up 13% compared to $2.59 in the first quarter of 2024.

"The Bank generated strong first quarter financial results, reflecting solid execution across business segments and our diversified earnings power. We were also pleased to recently complete the acquisition of Canadian Western Bank, marking a significant step forward in the acceleration of our domestic growth and toward extending the depth of our banking capabilities to the benefit of all our clients," said Laurent Ferreira, CEO. "In a context of heightened macroeconomic and geopolitical uncertainty and an evolving credit cycle, we remain committed to maintaining our usual discipline regarding credit, capital and costs," concluded Mr. Ferreira.

Highlights

(millions of Canadian dollars)			Quarter ended January 31
	2025	2024(2)	% Change
Net income	**997**	922	8
Diluted earnings per share *(dollars)*	**$ 2.78**	$ 2.59	7
Income before provisions for credit losses and income taxes	**1,537**	1,261	22
Return on common shareholders' equity(3)	**16.7 %**	17.1 %	
Dividend payout ratio(3)	**40.1 %**	43.1 %	
Operating results – Adjusted(1)			
Net income – Adjusted	**1,050**	922	14
Diluted earnings per share – Adjusted *(dollars)*	**$ 2.93**	$ 2.59	13
Income before provisions for credit losses and income taxes – Adjusted	**1,610**	1,261	28

	As at January 31, 2025	As at October 31, 2024
CET1 capital ratio under Basel III(4)	**13.6 %**	13.7 %
Leverage ratio under Basel III(4)(5)	**4.3 %**	4.4 %

(1) See the Financial Reporting Method section on pages 3 to 5 for additional information on non-GAAP financial measures.
(2) 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.
(3) For details on the composition of these measures, see the Glossary section on pages 47 to 50 in the *Report to Shareholders – First Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(4) For additional information on capital management measures, see the Financial Reporting Method section on pages 4 to 9 in the *Report to Shareholders – First Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(5) Ratio as at January 31, 2025 includes the redemption of the Series 32 preferred shares completed on February 17, 2025.

Personal and Commercial

- Net income totalled $290 million in the first quarter of 2025 versus $339 million in the first quarter of 2024, a 14% decrease due to a significant increase in provisions for credit losses.
- At $1,204 million, first-quarter total revenues rose $50 million or 4% year over year, mainly due to an increase in net interest income (driven by growth in loan and deposit volumes), partly offset by a lower net interest margin.
- Compared to a year ago, personal lending grew 4% and commercial lending grew 13%.
- The net interest margin(1) stood at 2.28% in the first quarter of 2025, down from 2.36% in the first quarter of 2024.
- First-quarter non-interest expenses stood at $641 million, up 4% year over year.
- Provisions for credit losses rose $91 million year over year, mainly due to an increase in provisions for credit losses on impaired loans.
- At 53.2%, the first-quarter efficiency ratio(1) was relatively stable compared to 53.3% in the first quarter of 2024.

Wealth Management

- Net income totalled $242 million in the first quarter of 2025, a 23% increase from $196 million in the first quarter of 2024.
- First-quarter total revenues amounted to $776 million compared to $660 million in first-quarter 2024, a $116 million or 18% increase driven mainly by growth in fee-based revenues and net interest income.
- First-quarter non-interest expenses stood at $441 million versus $390 million in first-quarter 2024, a 13% increase associated with revenue growth.
- At 56.8%, the first-quarter efficiency ratio(1) improved from 59.1% in the first quarter of 2024.

Financial Markets

- Net income totalled $417 million in the first quarter of 2025, up 35% from $308 million in the first quarter of 2024.
- First-quarter total revenues amounted to $907 million, a 40% increase that was mainly due to growth in global markets revenues.
- First-quarter non-interest expenses stood at $367 million compared to $313 million in first-quarter 2024, an increase that was mainly due to the increase in variable compensation.
- First-quarter provisions for credit losses stood at $36 million compared to $17 million in the first quarter of 2024, due to the provisions for credit losses on impaired loans.
- At 40.5%, the efficiency ratio(1) improved from 48.4% in the first quarter of 2024.

U.S. Specialty Finance and International

- Net income totalled $183 million in the first quarter of 2025, up 22% from $150 million in the first quarter of 2024.
- First-quarter total revenues amounted to $405 million, a 24% year-over-year increase driven mainly by revenue growth at both the Credigy and ABA Bank subsidiaries.
- First-quarter non-interest expenses stood at $123 million, a 23% year-over-year increase mainly attributable to business growth at ABA Bank.
- First-quarter provisions for credit losses were up $15 million year over year, with the increase being attributable to both Credigy and ABA Bank.
- At 30.4%, the efficiency ratio(1) improved from 30.7% in the first quarter of 2024.

Other

- There was a net loss of $135 million in the first quarter of 2025 compared to a net loss of $71 million in the same quarter of 2024, a change that essentially came from a smaller contribution from Treasury activities, a year-over-year increase in non-interest expenses (notably due to higher compensation and employee benefits), as well as the unfavourable impact of specified items(2) on net loss in the first quarter of 2025.

CWB Acquisition

- On February 3, 2025, the Bank completed its acquisition of CWB, a diversified financial services institution based in Edmonton, Alberta, in which the Bank already held a 5.9% stake. This transaction will enable the Bank to accelerate its growth across Canada. This 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.

Capital Management

- As at January 31, 2025, the Common Equity Tier 1 (CET1) capital ratio under Basel III(3) stood at 13.6%, a decrease from 13.7% as at October 31, 2024.
- As at January 31, 2025, the Basel III(3)(4) leverage ratio was 4.3%, a decrease from 4.4% as at October 31, 2024.

Dividends

- On February 25, 2025, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of $1.14 per common share, payable on May 1, 2025 to shareholders of record on March 31, 2025.

(1) For details on the composition of these measures, see the Glossary section on pages 47 to 50 in the *Report to Shareholders – First Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(2) See the Financial Reporting Method section on pages 3 to 5 for additional information on non-GAAP financial measures.
(3) For additional information on capital management measures, see the Financial Reporting Method section on pages 4 to 9 in the *Report to Shareholders – First Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(4) Ratio as at January 31, 2025 includes the redemption of the Series 32 preferred shares completed on February 17, 2025.

Financial Reporting Method

The Bank's Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards, as issued by the IASB. The financial statements also comply with section 308(4) of the *Bank Act* (Canada), which states that, except as otherwise specified by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), the Consolidated Financial Statements are to be prepared in accordance with IFRS Accounting Standards, which represent Canadian GAAP. None of the OSFI accounting requirements are exceptions to IFRS Accounting Standards.

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.

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 4 and 5. It should be noted that, for the quarter ended January 31, 2025, after the acquisition of Canadian Western Bank (CWB) was completed, several acquisition-related items have been excluded from results since, in the opinion of management, they are not reflective of the underlying performance of the Bank's operations, in particular, the amortization of the subscription receipt issuance costs of $28 million ($20 million net of income taxes); a gain of $4 million ($3 million net of income taxes) resulting from the remeasurement at fair value of the CWB common shares already held by the Bank; the impact of managing fair value changes, which is a loss of $23 million ($17 million net of income taxes), and acquisition and integration charges of $26 million ($19 million net of income taxes). For the quarter ended January 31, 2024, no specified items had been excluded from results.

For additional information on non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, and capital management measures, see the Financial Reporting Method section and the Glossary section, on pages 4 to 9 and 47 to 50, respectively, of the *Report to Shareholders – First quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Reconciliation of Non-GAAP Financial Measures

Presentation of Results – Adjusted

(millions of Canadian dollars) Quarter ended January 31

	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	2025 Total	2024[1] Total
Operating results							
Net interest income	944	227	(509)	370	(60)	972	751
Non-interest income	260	549	1,416	35	(49)	2,211	1,959
Total revenues	1,204	776	907	405	(109)	3,183	2,710
Non-interest expenses	641	441	367	123	74	1,646	1,449
Income before provisions for credit losses and income taxes	563	335	540	282	(183)	1,537	1,261
Provisions for credit losses	162	2	36	51	3	254	120
Income before income taxes (recovery)	401	333	504	231	(186)	1,283	1,141
Income taxes (recovery)	111	91	87	48	(51)	286	219
Net income	290	242	417	183	(135)	997	922
Items that have an impact on results							
Net interest income							
Amortization of the subscription receipt issuance costs[2]	–	–	–	–	(28)	(28)	–
Impact on net interest income	–	–	–	–	(28)	(28)	–
Non-interest income							
Gain on the fair value remeasurement of an equity interest[3]	–	–	–	–	4	4	–
Management of the fair value changes related to the CWB acquisition[4]	–	–	–	–	(23)	(23)	–
Impact on non-interest income	–	–	–	–	(19)	(19)	–
Non-interest expenses							
CWB acquisition and integration charges[5]	–	–	–	–	26	26	–
Impact on non-interest expenses	–	–	–	–	26	26	–
Income taxes							
Income taxes on the amortization of the subscription receipt issuance costs[2]	–	–	–	–	(8)	(8)	–
Income taxes on the gain on the fair value remeasurement of an equity interest[3]	–	–	–	–	1	1	–
Income taxes on management of the fair value changes related to the CWB acquisition[4]	–	–	–	–	(6)	(6)	–
Income taxes on the CWB acquisition and integration charges[5]	–	–	–	–	(7)	(7)	–
Impact on income taxes	–	–	–	–	(20)	(20)	–
Impact on net income	–	–	–	–	(53)	(53)	–
Operating results – Adjusted							
Net interest income – Adjusted	944	227	(509)	370	(32)	1,000	751
Non-interest income – Adjusted	260	549	1,416	35	(30)	2,230	1,959
Total revenues – Adjusted	1,204	776	907	405	(62)	3,230	2,710
Non-interest expenses – Adjusted	641	441	367	123	48	1,620	1,449
Income before provisions for credit losses and income taxes – Adjusted	563	335	540	282	(110)	1,610	1,261
Provisions for credit losses	162	2	36	51	3	254	120
Income before income taxes (recovery) – Adjusted	401	333	504	231	(113)	1,356	1,141
Income taxes (recovery) – Adjusted	111	91	87	48	(31)	306	219
Net income – Adjusted	290	242	417	183	(82)	1,050	922

(1) Certain amounts have been adjusted to reflect the discontinuation of taxable equivalent basis reporting for revenues and income taxes.
(2) During the quarter ended January 31, 2025, the Bank recorded an amount of $28 million ($20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (for additional information, see Notes 8 and 10 to the unaudited interim condensed Consolidated Financial Statements in the *Report to Shareholders – First quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).
(3) During the quarter ended January 31, 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 quarter ended January 31, 2025, the Bank recorded a mark-to-market loss of $23 million ($17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction. For additional information, see the Events After the Consolidated Balance Sheet Date section.
(5) During the quarter ended January 31, 2025, the Bank recorded acquisition and integration charges of $26 million ($19 million net of income taxes) related to the CWB transaction.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)	Quarter ended January 31	
	2025	2024
Basic earnings per share	**$ 2.81**	$ 2.61
Amortization of the subscription receipt issuance costs[(1)]	0.06	–
Gain on the fair value remeasurement of an equity interest[(2)]	(0.01)	–
Management of the fair value changes related to the CWB acquisition[(3)]	0.05	–
CWB acquisition and integration charges[(4)]	0.05	–
Basic earnings per share – Adjusted	**$ 2.96**	$ 2.61
Diluted earnings per share	**$ 2.78**	$ 2.59
Amortization of the subscription receipt issuance costs[(1)]	0.06	–
Gain on the fair value remeasurement of an equity interest[(2)]	(0.01)	–
Management of the fair value changes related to the CWB acquisition[(3)]	0.05	–
CWB acquisition and integration charges[(4)]	0.05	–
Diluted earnings per share – Adjusted	**$ 2.93**	$ 2.59

(1) During the quarter ended January 31, 2025, the Bank recorded an amount of $28 million ($20 million net of income taxes) to reflect the amortization of the issuance costs of the subscription receipts issued as part of the agreement to acquire CWB (for additional information, see Notes 8 and 10 to the unaudited interim condensed Consolidated Financial Statements in the *Report to Shareholders – First quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).

(2) During the quarter ended January 31, 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.

(3) During the quarter ended January 31, 2025, the Bank recorded a mark-to-market loss of $23 million ($17 million net of income taxes) on interest rate swaps used to manage the fair value changes of CWB's assets and liabilities that resulted in volatility of goodwill and capital on closing of the transaction. For additional information, see the Events After the Consolidated Balance Sheet Date section.

(4) During the quarter ended January 31, 2025, the Bank recorded acquisition and integration charges of $26 million ($19 million net of income taxes) related to the CWB transaction.

Highlights

(millions of Canadian dollars, except per share amounts)	Quarter ended January 31		
	2025	2024[1]	% Change
Operating results			
Total revenues	3,183	2,710	17
Income before provisions for credit losses and income taxes	1,537	1,261	22
Net income	997	922	8
Return on common shareholders' equity[2]	16.7 %	17.1 %	
Operating leverage[2]	3.9 %	1.6 %	
Efficiency ratio[2]	51.7 %	53.5 %	
Earnings per share			
Basic	$ 2.81	$ 2.61	8
Diluted	$ 2.78	$ 2.59	7
Operating results – Adjusted[3]			
Total revenues – Adjusted[3]	3,230	2,710	19
Income before provisions for credit losses and income taxes – Adjusted[3]	1,610	1,261	28
Net income – Adjusted[3]	1,050	922	14
Return on common shareholders' equity – Adjusted[4]	17.6 %	17.1 %	
Operating leverage – Adjusted[4]	7.4 %	1.6 %	
Efficiency ratio – Adjusted[4]	50.2 %	53.5 %	
Diluted earnings per share – Adjusted[3]	$ 2.93	$ 2.59	13
Common share information			
Dividends declared	$ 1.14	$ 1.06	8
Book value[2]	$ 68.15	$ 61.18	
Share price			
High	$ 140.76	$ 103.38	
Low	$ 128.79	$ 86.50	
Close	$ 128.99	$ 102.83	
Number of common shares *(thousands)*	341,085	339,166	
Market capitalization	43,997	34,876	

(millions of Canadian dollars)	As at January 31, 2025	As at October 31, 2024	% Change
Balance sheet and off-balance-sheet			
Total assets	483,833	462,226	5
Loans, net of allowances	246,620	243,032	1
Deposits	351,095	333,545	5
Equity attributable to common shareholders	23,245	22,400	4
Assets under administration[2]	820,125	766,082	7
Assets under management[2]	165,502	155,900	6
Regulatory ratios under Basel III[5]			
Capital ratios			
Common Equity Tier 1 (CET1)	13.6 %	13.7 %	
Tier 1[6]	15.5 %	15.9 %	
Total[6]	17.1 %	17.0 %	
Leverage ratio[6]	4.3 %	4.4 %	
TLAC ratio[5]	31.2 %	31.2 %	
TLAC leverage ratio[5]	8.7 %	8.6 %	
Liquidity coverage ratio (LCR)[5]	154 %	150 %	
Net stable funding ratio (NSFR)[5]	123 %	122 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	29,508	29,196	1
Number of branches in Canada	362	368	(2)
Number of banking machines in Canada	937	940	–

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(3) See the Financial Reporting Method section on pages 3 to 5 for additional information on non-GAAP financial measures.
(4) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 4 to 9 in the *Report to Shareholders – First Quarter 2025,* which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(5) For additional information on capital management measures, see the Financial Reporting Method section on pages 4 to 9 in the *Report to Shareholders – First Quarter 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(6) Ratios as at January 31, 2025 include the redemption of the Series 32 preferred shares completed on February 17, 2025.

Events After the Consolidated Balance Sheet Date

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

The total consideration transferred of $6.8 billion included $5.3 billion for 100% of the common shares of CWB acquired by way of a share exchange at an exchange ratio of 0.450 of a common share of the National Bank for each CWB common share, other than those held by the National Bank, $1.4 billion for the settlement of pre-existing relationships and $0.1 billion for the issuance of replacement share-based payment awards. The fair value of the Bank's common shares issued was determined on the basis of the share price on the Toronto Stock Exchange (TSX) at closing on January 31, 2025 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 $45.5 billion to assets and $37.8 billion to liabilities at acquisition date. Estimated goodwill of $1.6 billion reflects the expected expense synergies from our Personal and Commercial and Wealth Management banking services operations and the expected growth of the technology platforms. Goodwill is not deductible for tax purposes. The results of CWB will be consolidated in the Bank's financial statements as of February 3, 2025.

Prior to the closing of the CWB acquisition, the Bank had entered into interest rate swaps to hedge its exposure to changes in goodwill and capital due to changes in interest rates. On the closing date, swaps that were not designated in hedging relationships were neutralized while others were de-designated from hedging relationships. These operations economically offset the changes in fair value of the assets and liabilities of CWB and resulted in the subsequent amortization of the hedges.

Issuance of Common Shares
On February 3, 2025, the Bank issued a total of 50,272,878 common shares, for a total proceed 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 unaudited interim condensed Consolidated Financial Statements in the *Report to Shareholders – First quarter of 2025*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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 permit 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 meet the non-viability contingent capital requirements (NVCC), these shares are eligible for regulatory capital purposes under the Basel III rules. 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.

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.

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, 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 risk 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 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 in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections of the *2024 Annual Report* and the Economic Review and Outlook section of the Report to Shareholders for the first quarter of 2025, and may be updated in the quarterly reports to shareholders filed thereafter.

The forward-looking statements made in this document are based on a number of assumptions and their future outcome is subject to a variety of risk factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, the general economic environment and business and financial market conditions in Canada, the United States, and the other countries where the Bank operates; 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; geopolitical and sociopolitical uncertainty; 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 our progress; the development and deployment of new technologies and sustainable products; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the housing situation, real estate market, and household indebtedness in Canada; the Bank's ability to achieve its key short-term priorities and long-term strategies; the timely development and launch of new products and services; the ability of the Bank to recruit and retain key personnel; technological innovation, including open banking and the use of artificial intelligence; heightened competition from established companies and from competitors offering non-traditional services; model risk; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory issues or litigation; changes made to the accounting policies used by the Bank to report its financial position, including the uncertainty related to assumptions and significant accounting estimates; changes to tax legislation in the countries where the Bank operates; changes to capital and liquidity guidelines as well as to the instructions related to the presentation and interpretation thereof; changes to the credit ratings assigned to the Bank by financial and extra-financial rating agencies; potential disruptions to key suppliers of goods and services to the Bank; third-party risk, including failure by third parties to fulfil their obligations to the Bank; the potential impacts of disruptions to the Bank's information technology systems due to cyberattacks and theft or disclosure of data, including personal information and identity theft; the risk of fraudulent activity; and possible impacts of major events on the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events; and the ability of the Bank to anticipate and successfully manage risks arising from all of the foregoing factors.

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

Disclosure of the First Quarter 2025 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, February 26, 2025 at 11:00 a.m. ET.
- Access by telephone in listen-only mode: 1-800-898-3989 or 416-340-2217. The access code is 4235703#.
- A recording of the conference call can be heard until May 23, 2025 by dialing 1-800-408-3053 or 905-694-9451. The access code is 7336996#.

Webcast

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

Financial Documents

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

For more information

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

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