NATIONAL BANK

Press Release
Fourth Quarter
2023

National Bank reports its 2023 fourth-quarter and annual results and raises its quarterly dividend by 4 cents to $1.06 per share

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the fourth quarter of fiscal 2023 and on the audited annual consolidated financial statements for the year ended October 31, 2023 and is 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.

MONTREAL, December 1, 2023 – For the fourth quarter of 2023, National Bank is reporting net income of $768 million, up 4% from $738 million in the fourth quarter of 2022. Fourth-quarter diluted earnings per share stood at $2.14 compared to $2.08 in the fourth quarter of 2022. These fourth-quarter increases were driven by year-over-year growth in total revenues in all the business segments, partly offset by higher non-interest expenses and higher provisions for credit losses. As for fourth-quarter adjusted net income[(1)], which excludes specified items, it totalled $867 million, rising 17% year over year from $738 million, while fourth-quarter adjusted diluted earnings per share[(1)] stood at $2.44 versus $2.08 in the fourth quarter of 2022.

For the year ended October 31, 2023, the Bank's net income totalled $3,335 million, down 1% from $3,383 million in fiscal 2022, and its diluted earnings per share stood at $9.38 in fiscal 2023 versus $9.61 in fiscal 2022. Revenue growth in all of the business segments was more than offset by higher non-interest expenses (partly due to the specified items[(1)] recorded during fiscal 2023) and by notably higher provisions for credit losses. The fiscal 2023 income before provisions for credit losses and income taxes was down 1% compared to fiscal 2022. As for adjusted net income[(1)] in fiscal 2023, it totalled $3,409 million, up 1% from $3,383 million in fiscal 2022, while adjusted diluted earnings per share[(1)] stood at $9.60 versus $9.61 in fiscal 2022. The fiscal 2023 specified items[(1)] had a $74 million unfavourable impact on net income in fiscal 2023. As for adjusted income before provisions for credit losses and income taxes[(1)], it rose 7% year over year.

"Through strong execution, organic growth, and tight expense management, we delivered solid financial results, generated an excellent return on equity, and maintained robust capital levels in 2023," said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada. He added, "As we enter 2024, we remain committed to our prudent and disciplined approach to capital, credit and cost management. Our defensive posture, coupled with the earnings power of our diversified business mix, positions us well to create sustainable long-term value for our stakeholders in an environment where the outlook for economic growth remains challenging."

Highlights

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2023	2022	% Change	**2023**	2022	% Change
Net income	**768**	738	4	**3,335**	3,383	(1)
Diluted earnings per share *(dollars)*	**$ 2.14**	$ 2.08	3	**$ 9.38**	$ 9.61	(2)
Return on common shareholders' equity[(2)]	**14.4 %**	15.3 %		**16.5 %**	18.8 %	
Dividend payout ratio[(2)]	**42.0 %**	36.8 %		**42.0 %**	36.8 %	
Operating results – Adjusted[(1)]						
Net income – Adjusted	**867**	738	17	**3,409**	3,383	1
Diluted earnings per share – Adjusted *(dollars)*	**$ 2.44**	$ 2.08	17	**$ 9.60**	$ 9.61	–
Return on common shareholders' equity – Adjusted[(3)]	**16.3 %**	15.3 %		**16.8 %**	18.8 %	
Dividend payout ratio – Adjusted[(3)]	**41.1 %**	36.8 %		**41.1 %**	36.8 %	

	As at October 31, 2023	As at October 31, 2022
CET1 capital ratio under Basel III[(4)]	**13.5 %**	12.7 %
Leverage ratio under Basel III[(4)]	**4.4 %**	4.5 %

(1) See the Financial Reporting Method section on pages 2 to 5 for additional information on non-GAAP financial measures.
(2) For additional information on the composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(3) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 14 to 19 of the Bank's *2023 Annual Report*, 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 14 to 19 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Financial Reporting Method

The Bank's consolidated financial statements are prepared in accordance with IFRS, 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, which represent Canadian GAAP. None of the OSFI accounting requirements are exceptions to IFRS.

The presentation of segment disclosures is consistent with the presentation adopted by the Bank for the fiscal year beginning November 1, 2022. This presentation reflects a revision to the method used for the sectoral allocation of technology investment expenses, which are now immediately allocated to the various business segments, whereas certain expenses, notably costs incurred during the research phase of projects, had previously been recorded in the *Other* heading of segment results. This revision is consistent with the accounting policy change related to cloud computing arrangements applied in fiscal 2022. For the quarter and fiscal 2022, certain amounts in the Results by Segment section were adjusted to reflect this revision.

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. In addition, like many other financial institutions, the Bank uses the taxable equivalent basis to calculate net interest income, non-interest income, and income taxes. This calculation method 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. An equivalent amount is added to income taxes. This adjustment is necessary in order to perform a uniform comparison of the return on different assets irrespective of their tax treatment.

A quantitative reconciliation of non-GAAP financial measures is presented in the Reconciliation of Non-GAAP Financial Measures tables on pages 3 to 5. Note that, for the quarter ended October 31, 2023, the following items were excluded from results: $86 million in impairment losses ($62 million net of income taxes) on intangible assets and premises and equipment, $35 million in litigation expenses ($26 million net of income taxes), and $15 million in provisions for contracts ($11 million net of income taxes). Also, for the year ended October 31, 2023, the following items were excluded from results: a gain of $91 million on the fair value remeasurement of an equity interest ($67 million net of income taxes), an expense of $25 million ($18 million net of income taxes) related to the retroactive impact of changes to the *Excise Tax Act*, and a $24 million income tax expense related to the Canadian government's 2022 tax measures. No specified items had been excluded from results for the quarter and year ended October 31, 2022.

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 14 to 19 and 124 to 127, respectively, of the Bank's *2023 Annual Report,* 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 October 31
						2023	2022
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Net interest income	857	188	(527)	291	(74)	735	1,207
Taxable equivalent	–	–	87	–	3	90	65
Net interest income – Adjusted	857	188	(440)	291	(71)	825	1,272
Non-interest income	295	450	1,100	22	(8)	1,859	1,127
Taxable equivalent	–	–	75	–	–	75	30
Non-interest income – Adjusted	295	450	1,175	22	(8)	1,934	1,157
Total revenues – Adjusted	1,152	638	735	313	(79)	2,759	2,429
Non-interest expenses	690	423	319	106	69	1,607	1,346
Impairment losses on intangible assets and premises and equipment(1)	(59)	(8)	(7)	–	(12)	(86)	–
Litigation expenses(2)	–	(35)	–	–	–	(35)	–
Provisions for contracts(3)	(9)	–	–	–	(6)	(15)	–
Non-interest expenses – Adjusted	622	380	312	106	51	1,471	1,346
Income before provisions for credit losses and income taxes – Adjusted	530	258	423	207	(130)	1,288	1,083
Provisions for credit losses	65	1	24	23	2	115	87
Income before income taxes – Adjusted	465	257	399	184	(132)	1,173	996
Income taxes	109	59	(54)	39	(49)	104	163
Taxable equivalent	–	–	162	–	3	165	95
Income taxes on impairment losses on intangible assets and premises and equipment(1)	17	2	2	–	3	24	–
Income taxes on litigation expenses(2)	–	9	–	–	–	9	–
Income taxes on provisions for contracts(3)	2	–	–	–	2	4	–
Income taxes – Adjusted	128	70	110	39	(41)	306	258
Net income – Adjusted	337	187	289	145	(91)	867	738
Specified items after income taxes	(49)	(32)	(5)	–	(13)	(99)	–
Net income	288	155	284	145	(104)	768	738
Non-controlling interests	–	–	–	–	–	–	–
Net income attributable to the Bank's shareholders and holders of other equity instruments	288	155	284	145	(104)	768	738
Net income attributable to the Bank's shareholders and holders of other equity instruments – Adjusted	337	187	289	145	(91)	867	738
Dividends on preferred shares and distributions on limited recourse capital notes						35	30
Net income attributable to common shareholders – Adjusted						832	708

(1) For the quarter ended October 31, 2023, the Bank recorded $75 million in intangible asset impairment losses ($54 million net of income taxes) on technology development for which the Bank has decided to cease its use or development, and it recorded $11 million in impairment losses on premises and equipment ($8 million net of income taxes) related to right-of-use assets.

(2) For the quarter ended October 31, 2023, the Bank recorded $35 million in litigation expenses ($26 million net of income taxes) to resolve litigations and other disputes arising from various ongoing or potential claims against the Bank.

(3) For the quarter ended October 31, 2023, the Bank recorded $15 million in charges ($11 million net of income taxes) for contract termination penalties and for provisions for onerous contracts.

(millions of Canadian dollars)							Year ended October 31
						2023	2022
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Net interest income	3,321	778	(1,378)	1,132	(267)	3,586	5,271
Taxable equivalent	–	–	324	–	8	332	234
Net interest income – Adjusted	3,321	778	(1,054)	1,132	(259)	3,918	5,505
Non-interest income	1,195	1,743	3,463	77	106	6,584	4,381
Taxable equivalent	–	–	247	–	–	247	48
Gain on the fair value remeasurement of an equity interest(1)	–	–	–	–	(91)	(91)	–
Non-interest income – Adjusted	1,195	1,743	3,710	77	15	6,740	4,429
Total revenues – Adjusted	4,516	2,521	2,656	1,209	(244)	10,658	9,934
Non-interest expenses	2,510	1,534	1,161	402	194	5,801	5,230
Impairment losses on intangible assets and premises and equipment(2)	(59)	(8)	(7)	–	(12)	(86)	–
Litigation expenses(3)	–	(35)	–	–	–	(35)	–
Expense related to changes to the *Excise Tax Act*(4)	–	–	–	–	(25)	(25)	–
Provisions for contracts(5)	(9)	–	–	–	(6)	(15)	–
Non-interest expenses – Adjusted	2,442	1,491	1,154	402	151	5,640	5,230
Income before provisions for credit losses and income taxes – Adjusted	2,074	1,030	1,502	807	(395)	5,018	4,704
Provisions for credit losses	238	2	39	113	5	397	145
Income before income taxes – Adjusted	1,836	1,028	1,463	694	(400)	4,621	4,559
Income taxes	486	271	(170)	146	(96)	637	894
Taxable equivalent	–	–	571	–	8	579	282
Income taxes on the gain on the fair value remeasurement of an equity interest(1)	–	–	–	–	(24)	(24)	–
Income taxes on impairment losses on intangible assets and premises and equipment(2)	17	2	2	–	3	24	–
Income taxes on litigation expenses(3)	–	9	–	–	–	9	–
Income taxes on the expense related to changes to the *Excise Tax Act*(4)	–	–	–	–	7	7	–
Income taxes on provisions for contracts(5)	2	–	–	–	2	4	–
Income taxes related to the Canadian government's 2022 tax measures(6)	–	–	–	–	(24)	(24)	–
Income taxes – Adjusted	505	282	403	146	(124)	1,212	1,176
Net income – Adjusted	1,331	746	1,060	548	(276)	3,409	3,383
Specified items after income taxes	(49)	(32)	(5)	–	12	(74)	–
Net income	1,282	714	1,055	548	(264)	3,335	3,383
Non-controlling interests	–	–	–	–	(2)	(2)	(1)
Net income attributable to the Bank’s shareholders and holders of other equity instruments	1,282	714	1,055	548	(262)	3,337	3,384
Net income attributable to the Bank’s shareholders and holders of other equity instruments – Adjusted	1,331	746	1,060	548	(274)	3,411	3,384
Dividends on preferred shares and distributions on limited recourse capital notes						141	107
Net income attributable to common shareholders – Adjusted						3,270	3,277

(1) During the year ended October 31, 2023, the Bank concluded that it had lost significant influence over TMX Group Limited (TMX) and therefore ceased using the equity method to account for this investment. The Bank designated its investment in TMX as a financial asset measured at fair value through other comprehensive income in an amount of $191 million. Upon the fair value measurement, a gain of $91 million ($67 million net of income taxes) was recorded.

(2) During the year ended October 31, 2023, the Bank recorded $75 million in intangible asset impairment losses ($54 million net of income taxes) on technology development for which the Bank has decided to cease its use or development, and it recorded $11 million in premises and equipment impairment losses ($8 million net of income taxes) related to right-of-use assets.

(3) During the year ended October 31, 2023, the Bank recorded $35 million in litigation expenses ($26 million net of income taxes) to resolve litigations and other disputes arising from ongoing or potential claims against the Bank.

(4) During the year ended October 31, 2023, the Bank recorded a $25 million expense ($18 million net of income taxes) related to the retroactive impact of changes to the *Excise Tax Act,* indicating that payment card clearing services rendered by a payment card network operator are subject to the goods and services tax (GST) and the harmonized sales tax (HST).

(5) During the year ended October 31, 2023, the Bank recorded $15 million in charges ($11 million net of income taxes) for contract termination penalties and for provisions for onerous contracts.

(6) During the year ended October 31, 2023, the Bank recorded a $32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above $1 billion, as well as an $8 million tax recovery related to the 1.5% increase in the statutory tax rate, which includes the impact related to current and deferred taxes for fiscal 2022. For additional information on these tax measures, see the Income Taxes section on page 18.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)	Quarter ended October 31		Year ended October 31	
	2023	2022	**2023**	2022
Basic earnings per share	**$ 2.16**	$ 2.10	**$ 9.47**	$ 9.72
Gain on the fair value remeasurement of an equity interest(1)	**–**	–	**(0.20)**	–
Impairment losses on intangible assets and premises and equipment(2)	**0.19**	–	**0.19**	–
Litigation expenses(3)	**0.08**	–	**0.08**	–
Expense related to changes to the *Excise Tax Act*(4)	**–**	–	**0.05**	–
Provisions for contracts(5)	**0.03**	–	**0.03**	–
Income taxes related to the Canadian government's 2022 tax measures(6)	**–**	–	**0.07**	–
Basic earnings per share – Adjusted	**$ 2.46**	$ 2.10	**$ 9.69**	$ 9.72
Diluted earnings per share	**$ 2.14**	$ 2.08	**$ 9.38**	$ 9.61
Gain on the fair value remeasurement of an equity interest(1)	**–**	–	**(0.20)**	–
Impairment losses on intangible assets and premises and equipment(2)	**0.19**	–	**0.19**	–
Litigation expenses(3)	**0.08**	–	**0.08**	–
Expense related to changes to the *Excise Tax Act*(4)	**–**	–	**0.05**	–
Provisions for contracts(5)	**0.03**	–	**0.03**	–
Income taxes related to the Canadian government's 2022 tax measures(6)	**–**	–	**0.07**	–
Diluted earnings per share – Adjusted	**$ 2.44**	$ 2.08	**$ 9.60**	$ 9.61

(1) During the year ended October 31, 2023, the Bank concluded that it had lost significant influence over TMX and therefore ceased using the equity method to account for this investment. The Bank designated its investment in TMX as a financial asset measured at fair value through other comprehensive income in an amount of $191 million. Upon the fair value measurement, a gain of $91 million ($67 million net of income taxes) was recorded.

(2) During the quarter and year ended October 31, 2023, the Bank recorded $75 million in intangible asset impairment losses ($54 million net of income taxes) on technology development for which the Bank has decided to cease its use or development, and it recorded $11 million in premises and equipment impairment losses ($8 million net of income taxes) related to right-of-use assets.

(3) During the quarter and year ended October 31, 2023, the Bank recorded $35 million in litigation expenses ($26 million net of income taxes) to resolve litigations and other disputes arising from ongoing or potential claims against the Bank.

(4) During the year ended October 31, 2023, the Bank recorded a $25 million expense ($18 million net of income taxes) related to the retroactive impact of changes to the *Excise Tax Act,* indicating that payment card clearing services rendered by a payment card network operator are subject to the goods and services tax (GST) and the harmonized sales tax (HST).

(5) During the quarter and year ended October 31, 2023, the Bank recorded $15 million in charges ($11 million net of income taxes) for contract termination penalties and for provisions for onerous contracts.

(6) During the year ended October 31, 2023, the Bank recorded a $32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above $1 billion, as well as an $8 million tax recovery related to the 1.5% increase in the statutory tax rate, which includes the impact related to current and deferred taxes for fiscal 2022. For additional information on these tax measures, see the Income Taxes section on page 18.

Highlights

(millions of Canadian dollars, except per share amounts)	Quarter ended October 31			Year ended October 31		
	2023	2022	% Change	**2023**	2022	% Change
Operating results						
Total revenues	**2,594**	2,334	11	**10,170**	9,652	5
Income before provisions for credit losses and income taxes	**987**	988	–	**4,369**	4,422	(1)
Net income	**768**	738	4	**3,335**	3,383	(1)
Return on common shareholders' equity[1]	**14.4 %**	15.3 %		**16.5 %**	18.8 %	
Earnings per share						
Basic	**$ 2.16**	$ 2.10	3	**$ 9.47**	$ 9.72	(3)
Diluted	**$ 2.14**	$ 2.08	3	**$ 9.38**	$ 9.61	(2)
Operating results – Adjusted[2]						
Total revenues – Adjusted[2]	**2,759**	2,429	14	**10,658**	9,934	7
Income before provisions for credit losses and income taxes – Adjusted[2]	**1,288**	1,083	19	**5,018**	4,704	7
Net income – Adjusted[2]	**867**	738	17	**3,409**	3,383	1
Return on common shareholders' equity – Adjusted[3]	**16.3 %**	15.3 %		**16.8 %**	18.8 %	
Operating leverage – Adjusted[3]	**4.3 %**	1.0 %		**(0.5) %**	2.1 %	
Efficiency ratio – Adjusted[3]	**53.3 %**	55.4 %		**52.9 %**	52.6 %	
Earnings per share – Adjusted[2]						
Basic	**$ 2.46**	$ 2.10	17	**$ 9.69**	$ 9.72	–
Diluted	**$ 2.44**	$ 2.08	17	**$ 9.60**	$ 9.61	–
Common share information						
Dividends declared	**$ 1.02**	$ 0.92	11	**$ 3.98**	$ 3.58	11
Book value[1]	**$ 60.68**	$ 55.24		**$ 60.68**	$ 55.24	
Share price						
High	**$ 103.58**	$ 94.37		**$ 103.58**	$ 105.44	
Low	**$ 84.97**	$ 83.12		**$ 84.97**	$ 83.12	
Close	**$ 86.22**	$ 92.76		**$ 86.22**	$ 92.76	
Number of common shares *(thousands)*	**338,285**	336,582		**338,285**	336,582	
Market capitalization	**29,167**	31,221		**29,167**	31,221	

(millions of Canadian dollars)	**As at October 31, 2023**	As at October 31, 2022	% Change
Balance sheet and off-balance-sheet			
Total assets	**423,578**	403,740	5
Loans and acceptances, net of allowances	**225,443**	206,744	9
Deposits	**288,173**	266,394	8
Equity attributable to common shareholders	**20,526**	18,594	10
Assets under administration[1]	**652,631**	616,165	6
Assets under management[1]	**120,858**	112,346	8
Regulatory ratios under Basel III[4]			
Capital ratios			
Common Equity Tier 1 (CET1)	**13.5 %**	12.7 %	
Tier 1	**16.0 %**	15.4 %	
Total	**16.8 %**	16.9 %	
Leverage ratio	**4.4 %**	4.5 %	
TLAC ratio[4]	**29.2 %**	27.7 %	
TLAC leverage ratio[4]	**8.0 %**	8.1 %	
Liquidity coverage ratio (LCR)[4]	**155 %**	140 %	
Net stable funding ratio (NSFR)[4]	**118 %**	117 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	**28,916**	27,103	7
Number of branches in Canada	**368**	378	(3)
Number of banking machines in Canada	**944**	939	1

(1) For additional information on composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, 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 2 to 5 for additional information on non-GAAP financial measures.
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(4) For additional information on capital management measures, see the Financial Reporting Method section on pages 14 to 19 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Financial Analysis

This press release should be read in conjunction with the *2023 Annual Report* (which includes the audited annual consolidated financial statements and MD&A) available on the Bank's website at nbc.ca. Additional information about the Bank, including the *Annual Information Form*, can be obtained from the Bank's website at nbc.ca or SEDAR+'s website at sedarplus.ca.

Total Revenues

For the fourth quarter of 2023, the Bank's total revenues amounted to $2,594 million, up $260 million or 11% from the fourth quarter of 2022. In the Personal and Commercial segment, fourth-quarter total revenues rose 8% year over year owing to growth in loans and deposits, to a higher net interest margin resulting from interest rate hikes, and to an increase in insurance revenues, partly offset by a decrease in revenues from foreign exchange activities. In the Wealth Management segment, fourth-quarter total revenues grew 4% year over year, essentially due to higher fee-based revenues, notably from investment management and trust service fees as well as revenues from mutual funds. In the Financial Markets segment, fourth-quarter total revenues on a taxable equivalent basis increased by 31% year over year due to increases in global markets revenues and in corporate and investment banking revenues. In the USSF&I segment, fourth-quarter total revenues were up 17% year over year owing to higher revenues generated by the Credigy subsidiary as well to sustained revenue growth at the ABA Bank subsidiary as a result of business growth. For the *Other* heading, fourth-quarter total revenues were down year over year due to lower gains on investments, partly offset by a higher contribution from Treasury activities.

For the year ended October 31, 2023, total revenues amounted to $10,170 million, up $518 million or 5% from $9,652 million in fiscal 2022. In the Personal and Commercial segment, the fiscal 2023 total revenues rose $482 million or 12% year over year as net interest income increased owing to loan and deposit growth, a higher net interest margin arising from interest rate hikes, and increases in credit card revenues, insurance revenues, and revenues from bankers' acceptances, partly offset by a decrease in revenues from foreign exchange activities. In the Wealth Management segment, the fiscal 2023 total revenues grew 6%, mainly due to an increase in net interest income, partly offset by a decrease in transaction-based and other revenues. In the Financial Markets segment, the fiscal 2023 total revenues on a taxable equivalent basis were up $188 million or 8% year over year given growth in corporate and investment banking revenues, partly offset by a decrease in global markets revenues. In the USSF&I segment, the fiscal 2023 total revenues were up 9% year over year owing to revenue growth at ABA Bank as a result of business growth as well as to an increase in Credigy's revenues. For the *Other* heading, the fiscal 2023 total revenues were down year over year due to lower gains on investments in fiscal 2023, partly offset by a higher contribution from Treasury activities and a $91 million gain recorded upon the fair value remeasurement of an equity interest during fiscal 2023. As for adjusted total revenues, they amounted to $10,658 million in fiscal 2023, up 7% year over year.

Non-Interest Expenses

For the fourth quarter of 2023, non-interest expenses stood at $1,607 million, a 19% year-over-year increase that resulted from higher compensation and employee benefits, notably due to wage growth and a greater number of employees, as well as from the variable compensation associated with revenue growth. Occupancy, including amortization expense, was also up, partly due to the expanding banking network at ABA Bank as well as to $11 million in impairment losses on premises and equipment recorded in the fourth quarter of 2023. An increase in technology expenses, including amortization, came from the significant investments made to support the Bank's technological evolution and business development plan as well as from $75 million in intangible asset impairment losses. Lastly, other expenses were up due to year-over-year increases in advertising expenses, travel expenses (as activities with clients resumed) as well as to $35 million in litigation expenses and $15 million in provisions for contracts. The specified items recorded in non-interest expenses during the fourth quarter of 2023 had an unfavourable impact of $136 million. As for adjusted non-interest expenses, they stood at $1,471 million in the fourth quarter of 2023, up 9% from $1,346 million in fourth-quarter 2022.

For the year ended October 31, 2023, the Bank's non-interest expenses stood at $5,801 million, up 11% year over year. Compensation and employee benefits stood at $3,452 million in fiscal 2023, a 5% year-over-year increase that was mainly due to wage growth and a greater number of employees. Occupancy expense, including amortization expense, was also up, partly due to the expanding banking network at ABA Bank, to expenses related to the Bank's new head office building, and to $11 million in impairment losses on premises and equipment. An increase in technology expenses, including amortization, came from the significant investments made to support the Bank's technological evolution and business development plan as well as from the intangible asset impairment losses recorded in fiscal 2023. The fiscal 2023 communication expenses remained relatively stable year over year, whereas professional fees were up slightly. Other expenses were also up due to the same reasons as those provided for the quarter as well as to the $20 million reversal of the provision for the compensatory tax on salaries paid in Quebec during fiscal 2022 and a $25 million expense related to changes to the *Excise Tax Act* recorded in 2023. The specified items recorded in non-interest expenses during fiscal 2023 had an unfavourable impact of $161 million. As for adjusted non-interest expenses, they stood at $5,640 million in fiscal 2023, up $410 million or 8% from non-interest expenses of $5,230 million in fiscal 2022.

Provisions for Credit Losses

For the fourth quarter of 2023, the Bank recorded $115 million in provisions for credit losses compared to $87 million in the fourth quarter of 2022. An increase in provisions for credit losses on non-impaired loans of $23 million was due to the growth in the loan portfolios, the migration of credit risk, the recalibration of certain risk parameters, and the updates and revisions to the probability weightings of scenarios, reflecting the uncertainties in the macroeconomic outlook, uncertainties such as rising inflationary pressure, high interest rates, and geopolitical instability. As for fourth-quarter provisions for credit losses on impaired loans excluding purchased or originated credit-impaired (POCI)(1) loans, they rose $19 million year over year. This increase came from Personal Banking (including credit card receivables) and Commercial Banking, reflecting a normalization of credit performance, and from Credigy (excluding POCI loans). These increases were partly offset by a decrease in provisions for credit losses on impaired loans in the Financial Markets segment. Provisions for credit losses on POCI loans were down $14 million year over year due to favourable remeasurements of certain Credigy portfolios during the fourth quarter of 2023 as well as to recoveries of credit losses following repayments of POCI loans at Commercial Banking.

For fiscal 2023, the Bank recorded $397 million in provisions for credit losses compared to $145 million in fiscal 2022. This increase was mainly due to higher provisions for credit losses on non-impaired loans, recorded for the same reasons as those provided for the quarter. As for provisions for credit losses on impaired loans excluding POCI(1) loans, they were also up and came from Personal Banking (including credit card receivables) and Commercial Banking, reflecting a normalization of credit risk, and from the Credigy subsidiary. These increases were tempered by a decrease in provisions for credit losses on impaired loans at ABA Bank. Provisions for credit losses on POCI loans were down year over year due to favourable remeasurements of certain Credigy portfolios during fiscal 2023 as well as to recoveries of credit losses following repayments of POCI loans at Commercial Banking.

Income Taxes

For the fourth quarter of 2023, income taxes stood at $104 million compared to $163 million in the same quarter of 2022. The 2023 fourth-quarter effective income tax rate was 12% compared to 18% in the same quarter of 2022. The year-over-year change in effective income tax rate stems mainly from a higher level and proportion of tax-exempt dividend income and from higher income in lower tax-rate jurisdictions, factors that were partly offset by the additional 1.5% tax on banks and life insurers.

For the year ended October 31, 2023, the effective income tax rate was 16% compared to 21% in fiscal 2022. The year-over-year change in effective income tax rate stems from the same reasons as those mentioned for the quarter, partly offset by the impact of the Canadian government's 2022 tax measures recorded in the first quarter of 2023, namely, the Canada Recovery Dividend and the additional 1.5% tax on banks and life insurers.

(1) For additional information on composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

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 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 results. Each reportable segment is distinguished by services offered, type of clientele, and marketing strategy.

Personal and Commercial

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2023	2022[1]	% Change	**2023**	2022[1]	% Change
Operating results						
Net interest income	**857**	785	9	**3,321**	2,865	16
Non-interest income	**295**	286	3	**1,195**	1,169	2
Total revenues	**1,152**	1,071	8	**4,516**	4,034	12
Non-interest expenses	**690**	574	20	**2,510**	2,241	12
Income before provisions for credit losses and income taxes	**462**	497	(7)	**2,006**	1,793	12
Provisions for credit losses	**65**	42	55	**238**	97	
Income before income taxes	**397**	455	(13)	**1,768**	1,696	4
Income taxes	**109**	120	(9)	**486**	449	8
Net income	**288**	335	(14)	**1,282**	1,247	3
Less: Specified items after income taxes[2]	**(49)**	–		**(49)**	–	
Net income – Adjusted[2]	**337**	335	1	**1,331**	1,247	7
Net interest margin[3]	**2.36 %**	2.26 %		**2.35 %**	2.15 %	
Average interest-bearing assets[3]	**144,321**	138,064	5	**141,458**	133,543	6
Average assets[4]	**151,625**	145,145	4	**148,511**	140,300	6
Average loans and acceptances[4]	**150,847**	144,297	5	**147,716**	139,538	6
Net impaired loans[3]	**285**	193	48	**285**	193	48
Net impaired loans as a % of total loans and acceptances[3]	**0.2 %**	0.1 %		**0.2 %**	0.1 %	
Average deposits[4]	**87,873**	85,902	2	**85,955**	81,996	5
Efficiency ratio[3]	**59.9 %**	53.6 %		**55.6 %**	55.6 %	
Efficiency ratio – Adjusted[5]	**54.0 %**	53.6 %		**54.1 %**	55.6 %	

(1) For the quarter and year ended October 31, 2022, certain amounts were reclassified, notably due to a revised method for the sectoral allocation of technology investment expenses.
(2) See the Financial Reporting Method section on pages 2 to 5 for additional information on non-GAAP financial measures. During the fourth quarter and year ended October 31, 2023, the segment recorded, in the *Non-interest expenses* item, $59 million in intangible asset impairment losses ($42 million net of income taxes) on technology development as well as charges of $9 million ($7 million net of income taxes) for contract termination penalties.
(3) For additional information on the composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(4) Represents an average of the daily balances for the period.
(5) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 14 to 19 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

In the Personal and Commercial segment, net income totalled $288 million in the fourth quarter of 2023 compared to $335 million in the fourth quarter of 2022, a 14% year-over-year decrease that was due to higher non-interest expenses (including the specified items recorded in the fourth quarter of 2023) and higher provisions for credit losses. As for the segment's adjusted net income in the fourth quarter of 2023, it totalled $337 million, up 1% year over year. Fourth-quarter income before provisions for credit losses and income taxes amounted to $462 million, down 7% year over year, whereas adjusted income before provisions for credit losses and income taxes rose 7%. Fourth-quarter net interest income rose 9% year over year owing to growth in personal and commercial loans and deposits as well as to a higher net interest margin, which was 2.36% in fourth-quarter 2023 compared to 2.26% in fourth-quarter 2022. This growth reflects the interest rate hikes and was mainly attributable to the deposit margin. As for fourth-quarter non-interest income, it grew $9 million or 3% year over year.

Personal Banking's fourth-quarter total revenues increased by $51 million year over year. This increase came from an increase in net interest income driven by loan and deposit growth, from an improved margin on deposits, and from higher insurance revenues (reflecting revisions to actuarial reserves). Commercial Banking's fourth-quarter total revenues grew $30 million year over year, mainly due to an increase in net interest income that was driven by loan and deposit growth and an improved deposit margin, partly offset by a decrease in revenues from foreign exchange activities.

For the fourth quarter of 2023, Personal and Commercial's non-interest expenses stood at $690 million, a 20% year-over-year increase that was mainly due to $68 million in specified items recorded during the quarter. The increase also came from higher compensation and employee benefits (resulting from wage growth), from greater investments made as part of the segment's technological evolution, and from an increase in operations support charges. At 59.9%, the efficiency ratio deteriorated, mainly due to the specified items recorded during the fourth quarter of 2023. As for the segment's adjusted non-interest expenses, they stood at $622 million in the fourth quarter of 2023, up 8% year over year. Its adjusted efficiency ratio was 54.0% compared to 53.6% in the fourth quarter of 2022. The segment recorded $65 million in provisions for credit losses in the fourth quarter of 2023 compared to $42 million in the same quarter of 2022. This increase was mainly due to higher provisions for credit losses on impaired Personal Banking loans (including credit card receivables) and impaired Commercial Banking loans, reflecting a normalization of credit performance. Fourth-quarter provisions for credit losses on non-impaired Commercial Banking loans were also up year over year. Also during the fourth quarter of 2023, the segment recorded recoveries of credit losses on Commercial Banking's POCI loans as a result of loan repayments.

For fiscal 2023, the Personal and Commercial segment's net income totalled $1,282 million compared to $1,247 million in fiscal 2022, a 3% year-over-year increase that was driven by growth of $482 million in the segment's total revenues, partly offset by higher non-interest expenses (including the fiscal 2023 specified items) and by notably higher provisions for credit losses. As for the segment's adjusted net income in fiscal 2023, it totalled $1,331 million, up 7% year over year. For fiscal 2023, the segment's income before provisions for credit losses and income taxes amounted to $2,006 million, up 12% year over year, while its adjusted income before provisions for credit losses and income taxes rose 16%. Personal Banking's fiscal 2023 total revenues were up 8% year over year, mainly due to growth in loans and deposits and to a higher deposit margin (partly offset by a lower margin on loans) as well as to increases in card revenues and insurance revenues. In addition, Commercial Banking's 2023 total revenues rose 18% owing to growth in loans and deposits, to a higher net interest margin, as well as to increases in revenues from bankers' acceptances, partly offset by a decrease in revenues from foreign exchange activities.

For fiscal 2023, the segment's non-interest expenses stood at $2,510 million, a 12% year-over-year increase that was due to the same reasons provided above for the quarter. At 55.6%, the segment's fiscal 2023 efficiency ratio remained stable compared to last year. As for the segment's adjusted non-interest expenses for fiscal 2023, they stood at $2,442 million, up 9% year over year. At 54.1%, the segment's 2023 adjusted efficiency ratio improved by 1.5 percentage points from 55.6% in 2022. The segment recorded $238 million in provisions for credit losses in fiscal 2023, which is $141 million more than the $97 million recorded in fiscal 2022. This increase was due to higher provisions for credit losses on impaired Personal Banking loans (including credit card receivables) and impaired Commercial Banking loans, reflecting a normalization of credit performance. As for the segment's provisions for credit losses on non-impaired loans, they were up due to growth in the loan portfolios, to the migration of credit risk, and to a less favourable macroeconomic outlook during fiscal 2023. Also during fiscal 2023, the segment recorded recoveries of credit losses on Commercial Banking's POCI loans as a result of loan repayments.

Wealth Management

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2023	2022[1]	% Change	2023	2022[1]	% Change
Operating results						
Net interest income	**188**	187	1	**778**	594	31
Fee-based revenues	**371**	347	7	**1,432**	1,429	–
Transaction-based and other revenues	**79**	79	–	**311**	352	(12)
Total revenues	**638**	613	4	**2,521**	2,375	6
Non-interest expenses	**423**	349	21	**1,534**	1,417	8
Income before provisions for credit losses and income taxes	**215**	264	(19)	**987**	958	3
Provisions for credit losses	**1**	2	(50)	**2**	3	(33)
Income before income taxes	**214**	262	(18)	**985**	955	3
Income taxes	**59**	69	(14)	**271**	254	7
Net income	**155**	193	(20)	**714**	701	2
Less: Specified items after income taxes[2]	**(32)**	–		**(32)**	–	
Net income – Adjusted[2]	**187**	193	(3)	**746**	701	6
Average assets[3]	**8,494**	8,582	(1)	**8,560**	8,440	1
Average loans and acceptances[3]	**7,523**	7,513	–	**7,582**	7,343	3
Net impaired loans[4]	**8**	15	(47)	**8**	15	(47)
Average deposits[3]	**40,280**	37,609	7	**40,216**	35,334	14
Assets under administration[4]	**652,631**	616,165	6	**652,631**	616,165	6
Assets under management[4]	**120,858**	112,346	8	**120,858**	112,346	8
Efficiency ratio[4]	**66.3 %**	56.9 %		**60.8 %**	59.7 %	
Efficiency ratio – Adjusted[5]	**59.6 %**	56.9 %		**59.1 %**	59.7 %	

(1) For the quarter and year ended October 31, 2022, certain amounts were reclassified, notably due to a revised method for the sectoral allocation of technology investment expenses.
(2) See the Financial Reporting Method section on pages 2 to 5 for additional information on non-GAAP financial measures. For the fourth quarter and year ended October 31, 2023, the segment recorded, in the *Non-interest expenses* item, $8 million in intangible asset impairment losses ($6 million net of income taxes) on technology development as well as $35 million in litigation expenses ($26 million net of income taxes) to resolve litigations and other disputes on various ongoing or potential claims against the Bank.
(3) Represents an average of the daily balances for the period.
(4) For additional information on composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
(5) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 14 to 19 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

In the Wealth Management segment, net income totalled $155 million in the fourth quarter of 2023, a 20% decrease from $193 million in the fourth quarter of 2022, as growth in the segment's total revenues was more than offset by higher non-interest expenses (including the specified items recorded during the fourth quarter of 2023). As for the segment's adjusted net income, it totalled $187 million in the fourth quarter of 2023, down 3% year over year. The segment's fourth-quarter total revenues amounted to $638 million, up $25 million or 4% from $613 million in the fourth quarter of 2022. The fourth-quarter net interest income remained relatively stable year over year, with the impact of higher interest rates being offset by changes in deposit mix. Fourth-quarter fee-based revenues increased by 7%, mostly due to stronger year-over-year stock market performance. As for fourth-quarter transaction-based and other revenues, they remained stable year over year.

For the fourth quarter of 2023, the Wealth Management segment's non-interest expenses stood at $423 million compared to $349 million in the same quarter of 2022, a 21% year-over-year increase that was due to higher compensation and employee benefits, notably the variable compensation associated with revenue growth, to higher technology expenses incurred for the segment's initiatives, to higher external management fees, and to $43 million in specified items recorded during the quarter. At 66.3%, the fourth-quarter efficiency ratio deteriorated year over year, partly due to the specified items recorded during the quarter. As for the segment's adjusted non-interest expenses, they stood at $380 million in the fourth quarter of 2023, up 9% year over year. And the adjusted efficiency ratio was 59.6% in fourth-quarter 2023 versus 56.9% in fourth-quarter 2022. The segment recorded $1 million in provisions for credit losses in the fourth quarter of 2023 compared to $2 million in the fourth quarter of 2022.

For fiscal 2023, Wealth Management's net income totalled $714 million compared to $701 million in fiscal 2022, a 2% year-over-year increase that was driven by growth in the segment's total revenues, partly offset by higher non-interest expenses (including the fiscal 2023 specified items). As for the segment's adjusted net income in fiscal 2023, it totalled $746 million, up 6% from $701 million in fiscal 2022. The segment's total revenues amounted to $2,521 million in fiscal 2023, up 6% from $2,375 million in fiscal 2022. Its net interest income was also up, rising $184 million or 31% as a result of the interest rate hikes that occurred during fiscal years 2023 and 2022. The fiscal 2023 fee-based revenues remained relatively stable compared to fiscal 2022. As for transaction-based and other revenues, they were down 12% year over year given lower commissions on transactions during fiscal 2023. The segment's non-interest expenses stood at $1,534 million in fiscal 2023 versus $1,417 million in fiscal 2022, for an increase of 8% that was due to higher compensation and employee benefits, to higher technology expenses related to the segment's initiatives, and to $43 million in specified items recorded in fiscal 2023. At 60.8% in fiscal 2023, the segment's efficiency ratio deteriorated, partly due to the fiscal 2023 specified items. As for the segment's adjusted non-interest expenses, they stood at $1,491 million, up 5% from $1,417 million in fiscal 2022. At 59.1%, the segment's 2023 adjusted efficiency ratio improved by 0.6 percentage points from 59.7% in fiscal 2022. Wealth Management recorded $2 million in provisions for credit losses in fiscal 2023 compared to $3 million in fiscal 2022.

Financial Markets

(taxable equivalent basis)[1]

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2023	2022[2]	% Change	**2023**	2022[2]	% Change
Operating results						
Global markets						
Equities	**319**	207	54	**904**	979	(8)
Fixed-income	**84**	71	18	**417**	367	14
Commodities and foreign exchange	**32**	26	23	**173**	156	11
	435	304	43	**1,494**	1,502	(1)
Corporate and investment banking	**300**	259	16	**1,162**	966	20
Total revenues[1]	**735**	563	31	**2,656**	2,468	8
Non-interest expenses	**319**	254	26	**1,161**	1,029	13
Income before provisions for credit losses and income taxes	**416**	309	35	**1,495**	1,439	4
Provisions for credit losses	**24**	32	(25)	**39**	(23)	
Income before income taxes	**392**	277	42	**1,456**	1,462	–
Income taxes[1]	**108**	74	46	**401**	388	3
Net income	**284**	203	40	**1,055**	1,074	(2)
Less: Specified items after income taxes[3]	**(5)**	–		**(5)**	–	
Net income – Adjusted[3]	**289**	203	42	**1,060**	1,074	(1)
Average assets[4]	**193,484**	160,778	20	**180,837**	154,349	17
Average loans and acceptances[4] (Corporate Banking only)	**30,254**	24,576	23	**29,027**	22,311	30
Net impaired loans[5]	**30**	91	(67)	**30**	91	(67)
Net impaired loans as a % of total loans and acceptances[5]	**0.1 %**	0.4 %		**0.1 %**	0.4 %	
Average deposits[4]	**59,406**	49,487	20	**57,459**	47,242	22
Efficiency ratio[5]	**43.4 %**	45.1 %		**43.7 %**	41.7 %	
Efficiency ratio – Adjusted[6]	**42.4 %**	45.1 %		**43.4 %**	41.7 %	

(1) The *Total revenues* and *Income taxes* items of the Financial Markets segment are presented on a taxable equivalent basis. Taxable equivalent basis is a calculation method that consists of grossing up certain revenues taxed at lower rates by the income tax to a level that would make it comparable to revenues from taxable sources in Canada. For the quarter ended October 31, 2023, *Total revenues* were grossed up by $162 million ($94 million in 2022) and an equivalent amount was recognized in *Income taxes*. For the year ended October 31, 2023, *Total revenues* were grossed up by $571 million ($277 million in 2022) and an equivalent amount was recognized in *Income taxes*. The effect of these adjustments is reversed under the *Other* heading of segment results.

(2) For the quarter and year ended October 31, 2022, certain amounts were reclassified, notably due to a revised method for the sectoral allocation of technology investment expenses.

(3) See the Financial Reporting Method section on pages 2 to 5 for additional information on non-GAAP financial measures. During the fourth-quarter and year ended October 31, 2023, the segment recorded, in the *Non-interest expenses* item, $7 million in intangible asset impairment losses ($5 million net of income taxes) on technology development.

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

(5) For additional information on composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(6) For additional information on non-GAAP ratios, see the Financial Reporting Method section on pages 14 to 19 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

In the Financial Markets segment, net income totalled $284 million in the fourth quarter of 2023, up 40% from $203 million in the fourth quarter of 2022. As for adjusted net income, which excludes intangible asset impairment losses, it totalled $289 million, up 42% from $203 million in the fourth quarter of 2022. The segment's fourth-quarter total revenues on a taxable equivalent basis amounted to $735 million, up $172 million or 31% from $563 million in the fourth quarter of 2022. Global markets revenues rose 43% year over year owing to increases across every revenue category, notably revenues from equities, which posted growth of 54%. Fourth-quarter corporate and investment banking revenues grew 16% year over year given increases in banking service revenues and revenues from capital markets activity, partly offset by a decrease in revenues from merger and acquisition activity.

For the fourth quarter of 2023, the segment's non-interest expenses stood at $319 million, a 26% year-over-year increase that was due to higher compensation and employee benefits (notably wage growth and the variable compensation associated with revenue growth), to higher technology investment expenses, and to expenses related to the segment’s business growth. At 43.4% in fourth-quarter 2023 versus 45.1% in fourth-quarter 2022, the efficiency ratio improved by 1.7 percentage points owing to growth in the segment's revenues. As for adjusted non-interest expenses, they stood at $312 million in fourth-quarter 2023 versus $254 million in fourth-quarter 2022. And the adjusted efficiency ratio was 42.4% in fourth-quarter 2023 versus 45.1% in fourth-quarter 2022. The segment recorded $24 million in provisions for credit losses in the fourth quarter of 2023 compared to $32 million in the same quarter last year, for a decrease that stems from lower provisions for credit losses on impaired loans in the fourth quarter of 2023. As for provisions for credit losses on non-impaired loans, they were up slightly year over year.

For fiscal 2023, Financial Markets' net income totalled $1,055 million, down 2% year over year. Growth in the segment's total revenues was more than offset by higher non-interest expenses and higher provisions for credit losses. As for adjusted net income, which excludes intangible asset impairment losses, it totalled $1,060 million, down 1% from $1,074 million in fiscal 2022. The segment's income before provisions for credit losses and income taxes stood at $1,495 million in fiscal 2023, up $56 million or 4% from fiscal 2022. Its fiscal 2023 total revenues on a taxable equivalent basis amounted to $2,656 million, a $188 million or 8% increase from $2,468 million in fiscal 2022. Global markets revenues were down 1% due to an 8% decrease in revenues from equity securities, whereas revenues from fixed-income securities rose 14% and revenues from commodities and foreign exchange activities rose 11%. As for the fiscal 2023 corporate and investment banking revenues, they grew 20% year over year given growth in banking service revenues, higher revenues from capital markets activity, and higher revenues from merger and acquisition activity.

For fiscal 2023, the segment's non-interest expenses rose 13% year over year. This increase was due to the same reasons provided above for the fourth quarter. At 43.7%, the fiscal 2023 efficiency ratio deteriorated when compared to 41.7% in fiscal 2022. As for the segment's adjusted non-interest expenses, they stood at $1,154 million in fiscal 2023 versus $1,029 million in fiscal 2022. And as for the adjusted efficiency ratio, it was 43.4% in fiscal 2023 versus 41.7% in fiscal 2022. The segment recorded $39 million in provisions for credit losses during fiscal 2023 compared to $23 million in recoveries of credit losses in fiscal 2022. This increase was mainly due to a $60 million increase in provisions for credit losses on non-impaired loans, as there was loan portfolio growth in fiscal 2023 and the fiscal 2023 macroeconomic conditions were less favourable than those of fiscal 2022. In addition, the fiscal 2023 provisions for credit losses on impaired loans were up slightly year over year.

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

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2023	2022	% Change	**2023**	2022	% Change
Total revenues						
Credigy	**126**	88	43	**483**	439	10
ABA Bank	**187**	179	4	**726**	669	9
International	**–**	–		**–**	2	
	313	267	17	**1,209**	1,110	9
Non-interest expenses						
Credigy	**38**	32	19	**140**	131	7
ABA Bank	**68**	58	17	**260**	212	23
International	**–**	–		**2**	1	
	106	90	18	**402**	344	17
Income before provisions for credit losses and income taxes	**207**	177	17	**807**	766	5
Provisions for credit losses						
Credigy	**10**	(2)		**81**	35	
ABA Bank	**13**	12	8	**32**	31	3
	23	10		**113**	66	71
Income before income taxes	**184**	167	10	**694**	700	(1)
Income taxes						
Credigy	**17**	12	42	**55**	57	(4)
ABA Bank	**22**	23	(4)	**91**	86	6
	39	35	11	**146**	143	2
Net income						
Credigy	**61**	46	33	**207**	216	(4)
ABA Bank	**84**	86	(2)	**343**	340	1
International	**–**	–		**(2)**	1	
	145	132	10	**548**	557	(2)
Average assets(1)	**24,258**	20,395	19	**23,007**	18,890	22
Average loans and receivables(1)	**19,729**	16,642	19	**18,789**	15,283	23
Purchased or originated credit-impaired (POCI) loans	**511**	459	11	**511**	459	11
Net impaired loans excluding POCI loans(2)	**283**	180	57	**283**	180	57
Average deposits(1)	**11,399**	9,343	22	**10,692**	8,577	25
Efficiency ratio(2)	**33.9 %**	33.7 %		**33.3 %**	31.0 %	

(1) Represents an average of the daily balances for the period.
(2) For additional information on composition of these measures, see the Glossary section on pages 124 to 127 of the Bank's *2023 Annual Report*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

In the USSF&I segment, net income totalled $145 million in the fourth quarter of 2023 compared to $132 million in the fourth quarter of 2022, a 10% increase that was essentially driven by the Credigy subsidiary, notably its total revenue growth. For fiscal 2023, the segment's net income totalled $548 million compared to $557 million in fiscal 2022, as growth in total revenues was more than offset by higher non-interest expenses and higher provisions for credit losses.

Credigy

The Credigy subsidiary's net income totalled $61 million in the fourth quarter of 2023, up $15 million or 33% year over year. Its fourth-quarter total revenues amounted to $126 million compared to $88 million in the same quarter of 2022, an increase that was mainly due to loan volume growth as well as to growth in non-interest income given a higher unfavourable impact of remeasuring certain portfolios at fair value during the fourth quarter of 2022. Its fourth-quarter non-interest expenses stood at $38 million, a $6 million year-over-year increase that was mainly due to higher compensation and employee benefits, notably the variable compensation associated with revenue growth in the fourth quarter of 2023. Credigy's provisions for credit losses increased by $12 million compared to the same quarter of 2022, due to an increase in provisions for credit losses on non-impaired loans associated with growth in the loan portfolio and a deterioration in certain risk parameters as well as to impaired loans, with these increases being partly offset by a decrease in provisions for credit losses on POCI loans resulting from favourable remeasurements of certain portfolios during the fourth quarter of 2023.

For fiscal 2023, Credigy's net income totalled $207 million, a 4% year-over-year decrease that was due to notably higher provisions for credit losses. The subsidiary's income before provisions for credit losses and income taxes totalled $343 million in fiscal 2023, up 11% year over year. Its total revenues amounted to $483 million in fiscal 2023, up from $439 million in fiscal 2022. A decrease in net interest income was more than offset by growth in non-interest income, as there was a higher unfavourable impact from fair value remeasurements of certain portfolios during fiscal 2022. For fiscal 2023, Credigy's non-interest expenses rose $9 million year over year, mainly due to compensation and employee benefits. Its fiscal 2023 provisions for credit losses rose $46 million year over year, mainly due to the same reasons provided above for the fourth quarter.

ABA Bank

For the fourth quarter of 2023, the ABA Bank subsidiary's net income totalled $84 million, down $2 million or 2% from the same quarter in 2022. The subsidiary's fourth-quarter total revenues rose 4%, mainly due to sustained loan growth, partly offset by an increase in interest expenses on deposits. Its fourth-quarter non-interest expenses stood at $68 million, a $10 million or 17% year-over-year increase attributable to higher compensation and employee benefits (notably due to wage growth given a greater number of employees) and to higher occupancy expenses resulting from the subsidiary's business growth and opening of new branches. Its provisions for credit losses, which stood at $13 million in the fourth quarter of 2023, rose $1 million year over year.

For fiscal 2023, ABA Bank's net income totalled $343 million, up $3 million or 1% from fiscal 2022. Growth in the subsidiary's business activities, mainly sustained loan growth, drove total revenues up 9% year over year. This increase was, however, partly offset by higher interest rates on deposits and lower interest rates on loans given a competitive environment in Cambodia. The subsidiary's fiscal 2023 non-interest expenses stood at $260 million, a 23% year-over-year increase that was due to the same reasons provided above for the fourth quarter as well as to higher advertising expenses. Its provisions for credit losses stood at $32 million in fiscal 2023, a $1 million year-over-year increase that stems from higher provisions for credit losses on non-impaired loans, partly offset by lower provisions for credit losses on impaired loans.

Other

(millions of Canadian dollars)	Quarter ended October 31		Year ended October 31	
	2023	2022[1]	**2023**	2022[1]
Operating results				
Net interest income[2]	**(161)**	(155)	**(591)**	(536)
Non-interest income[2]	**(83)**	(25)	**(141)**	201
Total revenues	**(244)**	(180)	**(732)**	(335)
Non-interest expenses	**69**	79	**194**	199
Income before provisions for credit losses and income taxes	**(313)**	(259)	**(926)**	(534)
Provisions for credit losses	**2**	1	**5**	2
Income before income taxes	**(315)**	(260)	**(931)**	(536)
Income taxes (recovery)[2]	**(211)**	(135)	**(667)**	(340)
Net loss	**(104)**	(125)	**(264)**	(196)
Non-controlling interests	**–**	–	**(2)**	(1)
Net income (loss) attributable to the Bank's shareholders and holders of other equity instruments	**(104)**	(125)	**(262)**	(195)
Less: Specified items after income taxes[3]	**(13)**	–	**12**	–
Net loss – Adjusted[3]	**(91)**	(125)	**(276)**	(196)
Average assets[4]	**64,134**	74,921	**69,731**	71,868

(1) For the quarter and year ended October 31, 2022, certain amounts were reclassified, notably due to a revised method for the sectoral allocation of technology investment expenses.

(2) For the quarter ended October 31, 2023, *Net interest income* was reduced by $90 million ($65 million in 2022), *Non-interest income* was reduced by $75 million ($30 million in 2022), and an equivalent amount was recorded in *Income taxes (recovery)*. For the year ended October 31, 2023, *Net interest income* was reduced by $332 million ($234 million in 2022), *Non-interest income* was reduced by $247 million ($48 million in 2022), and an equivalent amount was recorded in *Income taxes (recovery)*. These adjustments include a reversal of the taxable equivalent of the Financial Markets segment and the *Other* heading. Taxable equivalent basis is a calculation method that consists of grossing up certain revenues taxed at lower rates by the income tax to a level that would make it comparable to revenues from taxable sources in Canada.

(3) See the Financial Reporting Method section on pages 2 to 5 for additional information on non-GAAP financial measures. During the quarter and year ended October 31, 2023, the Bank recorded $12 million in impairment losses ($9 million net of income taxes) on premises and equipment and intangible assets and $6 million in charges ($4 million net of income taxes) for penalties on onerous contracts. During the year ended October 31, 2023, the bank recorded a $91 million gain ($67 million net of income taxes) upon the fair value measurement of an equity interest, a $25 million expense ($18 million net of income taxes) related to the retroactive impact of changes to the *Excise Tax Act* and a $24 million income tax expense related to the Canadian government's 2022 tax measures.

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

For the *Other* heading of segment results, there was a net loss of $104 million in the fourth quarter of 2023 compared to a net loss of $125 million in the fourth quarter of 2022. The change was notably due to lower gains on investments in fiscal 2023, partly offset by a higher contribution from Treasury activities. For the fourth quarter of 2023, non-interest expenses were down year over year, mainly due to a decrease in variable compensation, partly offset by certain specified items recorded in the fourth quarter of 2023, notably $12 million in impairment losses on premises and equipment and intangible assets and $6 million in charges related to penalties on onerous contracts. The specified items recorded during the fourth quarter of 2023 had an unfavourable impact of $13 million on net loss. As for fourth-quarter adjusted net loss, it was $91 million compared to a net loss of $125 million in the same quarter of 2022.

For the year ended October 31, 2023, net loss stood at $264 million compared to a net loss of $196 million in fiscal 2022. The change in net loss was notably due to lower gains on investments in fiscal 2023, partly offset by a higher contribution from Treasury activities and a $91 million gain recorded upon the fair value remeasurement of an equity interest during fiscal 2023. For fiscal 2023, non-interest expenses were down slightly year over year, mainly due to variable compensation, partly offset by certain specified items recorded in fiscal 2023, notably a $25 million expense related to the retroactive impact of changes to the *Excise Tax Act*, $12 million in impairment losses on premises and equipment and intangible assets, and $6 million in charges related to penalties on onerous contracts. The fiscal 2023 specified items had a $12 million favourable impact on net loss. As for adjusted net loss, it stood at $276 million in fiscal 2023 compared to a $196 million net loss in fiscal 2022.

Consolidated Balance Sheet

Consolidated Balance Sheet Summary

(millions of Canadian dollars)	As at October 31, 2023	As at October 31, 2022	% Change
Assets			
Cash and deposits with financial institutions	**35,234**	31,870	11
Securities	**121,818**	109,719	11
Securities purchased under reverse repurchase agreements and securities borrowed	**11,260**	26,486	(57)
Loans and acceptances, net of allowances	**225,443**	206,744	9
Other	**29,823**	28,921	3
	423,578	403,740	5
Liabilities and equity			
Deposits	**288,173**	266,394	8
Other	**110,979**	114,101	(3)
Subordinated debt	**748**	1,499	(50)
Equity attributable to the Bank's shareholders and holders of other equity instruments	**23,676**	21,744	9
Non-controlling interests	**2**	2	–
	423,578	403,740	5

Assets

As at October 31, 2023, the Bank had total assets of $423.6 billion, a $19.9 billion or 5% increase from $403.7 billion as at October 31, 2022. At $35.2 billion as at October 31, 2023, cash and deposits with financial institutions were up $3.3 billion since October 31, 2022, mainly due to an increase in deposits with the U.S. Federal Reserve, partly offset by a decrease in deposits with the Bank of Canada. The high level of cash and deposits with financial institutions is explained in part by the excess liquidity related to the accommodative monetary policies that have been applied by central banks since 2020.

Securities rose $12.1 billion since October 31, 2022, due to a $12.6 billion or 14% increase in securities at fair value through profit or loss, an increase that was essentially attributable to equity securities and securities issued or guaranteed by the Canadian government, partly offset by a decrease in securities issued or guaranteed by U.S. Treasury, other U.S. agencies, and other foreign governments. As for securities other than those measured at fair value through profit or loss, they decreased by $0.5 billion. Securities purchased under reverse repurchase agreements and securities borrowed decreased by $15.2 billion since October 31, 2022, mainly due to the activities of the Financial Markets segment and Treasury.

Totalling $225.4 billion as at October 31, 2023, loans and acceptances, net of allowances for credit losses, rose $18.7 billion or 9% since October 31, 2022. The following table provides a breakdown of the main loan and acceptance portfolios.

(millions of Canadian dollars)	As at October 31, 2023	As at October 31, 2022
Loans and acceptances		
Residential mortgage and home equity lines of credit	**116,444**	109,648
Personal	**16,761**	15,804
Credit card	**2,603**	2,389
Business and government	**90,819**	79,858
	226,627	207,699
Allowances for credit losses	**(1,184)**	(955)
	225,443	206,744

Since October 31, 2022, residential mortgages (including home equity lines of credit) rose $6.8 billion or 6% due to sustained demand for mortgage credit in the Personal and Commercial segment, as well as to the activities of the Financial Markets segment and the ABA Bank and Credigy subsidiaries. Personal loans totalled $16.8 billion at year-end 2023, rising $1.0 billion from $15.8 billion since October 31, 2022. This increase came mainly from business growth at Personal Banking and ABA Bank. At $2.6 billion, credit card receivables rose $0.2 billion since October 31, 2022. Loans and acceptances to business and government rose $10.9 billion or 14% compared to October 31, 2022, mainly due to business growth at Commercial Banking, in corporate banking financial services, and at ABA Bank.

Impaired loans include all loans classified in Stage 3 of the expected credit loss model and POCI loans. As at October 31, 2023, gross impaired loans stood at $1,584 million compared to $1,271 million as at October 31, 2022. As for net impaired loans, they totalled $1,276 million as at October 31, 2023 compared to $1,030 million as at October 31, 2022. Net impaired loans excluding POCI loans amounted to $606 million, rising $127 million from $479 million as at October 31, 2022. This increase was essentially due to an increase in the net impaired loans of the loan portfolios of the Personal and Commercial segment and of the Credigy (excluding POCI loans) and ABA Bank subsidiaries, partly offset by a decrease in the net impaired loans of the loan portfolios of the Wealth Management and Financial Markets segments. Net POCI loans stood at $670 million as at October 31, 2023 compared to $551 million as at October 31, 2022, an increase due to portfolio acquisitions conducted by Credigy and Commercial Banking during fiscal 2023.

As at October 31, 2023, other assets totalled $29.8 billion compared to $28.9 billion as at October 31, 2022, a $0.9 billion increase that was mainly due to a $1.9 billion increase in other assets, notably receivables, prepaid expenses and other items; interest and dividends receivable; and current tax assets, with these increases being partly offset by a decrease in amounts due from clients, dealers and brokers. Furthermore, derivative financial instruments were down $1.0 billion, with this result being related to the activities of the Financial Markets segment.

Liabilities

As at October 31, 2023, the Bank had total liabilities of $399.9 billion compared to $382.0 billion as at October 31, 2022.

The Bank's total deposit liability stood at $288.2 billion as at October 31, 2023, rising $21.8 billion or 8% from $266.4 billion as at October 31, 2022. At $87.9 billion as at October 31, 2023, personal deposits increased $9.1 billion since October 31, 2022. This increase was driven by business growth at Personal Banking, in both the Wealth Management and Financial Markets segments, and at ABA Bank.

Business and government deposits totalled $197.3 billion as at October 31, 2023, rising $13.1 billion since October 31, 2022. This increase came from the funding activities of the Financial Markets segment and of Treasury, including $4.9 billion in deposits subject to bank recapitalization (bail-in) conversion regulations, as well as from Commercial Banking activities. Deposits from deposit-taking institutions totalled $3.0 billion as at October 31, 2023, declining $0.4 billion since the end of fiscal 2022.

Other liabilities, totalling $111.0 billion as at October 31, 2023, decreased $3.1 billion since October 31, 2022, resulting essentially from an $8.1 billion decrease in obligations related to securities sold short and a $1.3 billion decrease in liabilities related to transferred receivables. These decreases were partly offset by a $4.8 billion increase in obligations related to securities sold under repurchase agreements and securities loaned and a $1.1 billion increase in other liabilities, notably interest and dividends payable.

Subordinated debt decreased since October 31, 2022 as a result of the Bank's redemption, on February 1, 2023, of $750 million in medium-term notes.

Equity

As at October 31, 2023, equity attributable to the Bank's shareholders and holders of other equity instruments totalled $23.7 billion, rising $2.0 billion from $21.7 billion since October 31, 2022. This increase was due to net income net of dividends; to the issuances of common shares under the Stock Option Plan; and to accumulated other comprehensive income, notably net unrealized foreign currency translation gains on investments in foreign operations and net gains on instruments designated as cash flow hedges. These increases were partly offset by remeasurements of pension plans and other post-employment benefit plans as well as by the net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss.

Income Taxes

Notice of Assessment

In March 2023, the Bank was reassessed by the Canada Revenue Agency (CRA) for additional income tax and interest of approximately $90 million (including estimated provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2018 taxation year.

In prior fiscal years, the Bank had been reassessed for additional income tax and interest of approximately $875 million (including provincial tax and interest) in respect of certain Canadian dividends received by the Bank during the 2012-2017 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 2018 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 October 31, 2023.

Canadian Government's 2022 Tax Measures

On November 4, 2022, the Government of Canada introduced Bill C-32 – *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022* to implement tax measures applicable to certain entities of banking and life insurer groups, as presented in its April 7, 2022 budget. These tax measures include the Canada Recovery Dividend (CRD), which is a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above $1 billion, as well as a 1.5% increase in the statutory tax rate. On December 15, 2022, Bill C-32 received royal assent. Given that these tax measures were in effect at the financial reporting date, a $32 million tax expense for the CRD and an $8 million tax recovery for the tax rate increase, including the impact related to current and deferred taxes for fiscal 2022, were recognized in the consolidated financial statements for the year ended October 31, 2023.

Proposed Legislation

On November 28, 2023, the Government of Canada released draft legislation entitled *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023* to implement tax measures applicable to the Bank. The measures include the denial of the deduction in respect of dividends received after 2023 on shares that are mark-to-market property for tax purposes (except for dividends received on "taxable preferred shares" as defined in the *Income Tax Act*), as well as the application of a 2% tax on the net value of equity repurchases occurring as of January 1, 2024.

In its March 28, 2023 budget, the Government of Canada also proposed to implement the Pillar 2 rules (global minimum tax) published by the Organisation for Economic Co-operation and Development (OECD) for fiscal years beginning as of December 31, 2023. To date, the Pillar 2 rules have not yet been included in a bill in Canada. During fiscal 2023, the Pillar 2 rules were included in a bill in certain jurisdictions where the Bank operates.

The federal budget of March 28, 2023 also included another tax measure on amendments to the *Excise Tax Act,* indicating that payment card clearing services rendered by a payment card network operator are subject to the goods and services tax (GST) and the harmonized sales tax (HST). On April 20, 2023, the Government of Canada tabled Bill C-47 – *An Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023* to implement, among other things, these amendments to the GST/HST for payment cards. On June 22, 2023, Bill C-47 received royal assent. Given that the amendment to the *Excise Tax Act* had been adopted at the reporting date, an expense of $25 million was recognized in the consolidated financial statements for the year ended October 31, 2023.

Event After the Consolidated Balance Sheet Date

Repurchase of Common Shares

On November 30, 2023, the Bank's Board of Directors approved a normal course issuer bid, beginning December 12, 2023, to repurchase for cancellation up to 7,000,000 common shares (representing approximately 2.07% of its then outstanding common shares) over the 12-month period ending December 11, 2024. 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*. This normal course issuer bid is subject to the approval of OSFI and the Toronto Stock Exchange (TSX).

Capital Management

As at October 31, 2023, the Bank's CET1, Tier 1, and Total capital ratios were, respectively, 13.5%, 16.0% and 16.8%, compared to ratios of, respectively, 12.7%, 15.4% and 16.9% as at October 31, 2022. The CET1 and Tier 1 capital ratios increased since October 31, 2022, essentially due to the contribution from net income net of dividends, to common share issuances under the Stock Option Plan, and to the positive impact from the implementation of the Basel III reforms related to the credit and operational risk frameworks. These factors were partly offset by growth in RWA and by the end of the transitional measures applicable to expected credit loss provisioning implemented by OSFI at the beginning of the COVID-19 pandemic. The Total capital ratio increased due to the same factors mentioned above, but the increase was more than offset by the $750 million redemption of medium-term notes on February 1, 2023.

As at October 31, 2023, the leverage ratio was 4.4% compared to 4.5% as at October 31, 2022. The decrease in the leverage ratio was essentially due to the growth in total exposure and to the end of the temporary measure permitted by OSFI with respect to the exclusion of central bank reserves from the leverage exposure calculation. These factors were partly offset by the growth in Tier 1 capital.

As at October 31, 2023, the Bank's TLAC ratio and TLAC leverage ratio were, respectively, 29.2% and 8.0%, compared with 27.7% and 8.1%, respectively, as at October 31, 2022. The increase in the TLAC ratio was due to the same factors described for the Total capital ratio as well as to the net instrument issuances that met the TLAC eligibility criteria during the period. The decrease in the TLAC leverage ratio was due to the same factors as those provided for the leverage ratio, partly offset by the net TLAC instrument issuances.

During the year ended October 31, 2023, the Bank was in compliance 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 October 31, 2023	As at October 31, 2022
Capital		
CET1	**16,920**	14,818
Tier 1	**20,068**	17,961
Total	**21,056**	19,727
Risk-weighted assets	**125,592**	116,840
Total exposure	**456,478**	401,780
Capital ratios		
CET1	**13.5 %**	12.7 %
Tier 1	**16.0 %**	15.4 %
Total	**16.8 %**	16.9 %
Leverage ratio	**4.4 %**	4.5 %
Available TLAC	**36,732**	32,351
TLAC ratio	**29.2 %**	27.7 %
TLAC leverage ratio	**8.0 %**	8.1 %

(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*. The calculation of the figures as at October 31, 2022 had included the transitional measure applicable to expected credit loss provisioning and the temporary measure regarding the exclusion of central bank reserves implemented by OSFI in response to the COVID-19 pandemic. These provisions ceased to apply on November 1, 2022 and April 1, 2023, respectively.

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

Dividends

On November 30, 2023, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of $1.06 per common share, up 4 cents or 4%, payable on February 1, 2024 to shareholders of record on December 25, 2023.

Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)

	As at October 31, 2023	As at October 31, 2022
Assets		
Cash and deposits with financial institutions	**35,234**	31,870
Securities		
At fair value through profit or loss	**99,994**	87,375
At fair value through other comprehensive income	**9,242**	8,828
At amortized cost	**12,582**	13,516
	121,818	109,719
Securities purchased under reverse repurchase agreements and securities borrowed	**11,260**	26,486
Loans		
Residential mortgage	**86,847**	80,129
Personal	**46,358**	45,323
Credit card	**2,603**	2,389
Business and government	**84,192**	73,317
	220,000	201,158
Customers' liability under acceptances	**6,627**	6,541
Allowances for credit losses	**(1,184)**	(955)
	225,443	206,744
Other		
Derivative financial instruments	**17,516**	18,547
Investments in associates and joint ventures	**49**	140
Premises and equipment	**1,592**	1,397
Goodwill	**1,521**	1,519
Intangible assets	**1,256**	1,360
Other assets	**7,889**	5,958
	29,823	28,921
	423,578	403,740
Liabilities and equity		
Deposits	**288,173**	266,394
Other		
Acceptances	**6,627**	6,541
Obligations related to securities sold short	**13,660**	21,817
Obligations related to securities sold under repurchase agreements and securities loaned	**38,347**	33,473
Derivative financial instruments	**19,888**	19,632
Liabilities related to transferred receivables	**25,034**	26,277
Other liabilities	**7,423**	6,361
	110,979	114,101
Subordinated debt	**748**	1,499
Equity		
Equity attributable to the Bank's shareholders and holders of other equity instruments		
Preferred shares and other equity instruments	**3,150**	3,150
Common shares	**3,294**	3,196
Contributed surplus	**68**	56
Retained earnings	**16,744**	15,140
Accumulated other comprehensive income	**420**	202
	23,676	21,744
Non-controlling interests	**2**	2
	23,678	21,746
	423,578	403,740

Consolidated Statements of Income

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2023	2022	**2023**	2022
Interest income				
Loans	**3,481**	2,400	**12,676**	7,136
Securities at fair value through profit or loss	**500**	393	**1,681**	1,548
Securities at fair value through other comprehensive income	**73**	54	**279**	163
Securities at amortized cost	**115**	107	**473**	263
Deposits with financial institutions	**433**	247	**1,668**	435
	4,602	3,201	**16,777**	9,545
Interest expense				
Deposits	**2,957**	1,586	**10,015**	3,291
Liabilities related to transferred receivables	**168**	147	**633**	472
Subordinated debt	**11**	15	**47**	28
Other	**731**	246	**2,496**	483
	3,867	1,994	**13,191**	4,274
Net interest income(1)	**735**	1,207	**3,586**	5,271
Non-interest income				
Underwriting and advisory fees	**101**	94	**378**	324
Securities brokerage commissions	**42**	42	**174**	204
Mutual fund revenues	**146**	141	**578**	587
Investment management and trust service fees	**262**	244	**1,005**	997
Credit fees	**157**	125	**574**	490
Card revenues	**49**	47	**202**	186
Deposit and payment service charges	**77**	78	**300**	298
Trading revenues (losses)	**864**	229	**2,677**	543
Gains (losses) on non-trading securities, net	**21**	(3)	**70**	113
Insurance revenues, net	**51**	26	**171**	158
Foreign exchange revenues, other than trading	**53**	57	**183**	211
Share in the net income of associates and joint ventures	**2**	4	**11**	28
Other	**34**	43	**261**	242
	1,859	1,127	**6,584**	4,381
Total revenues	**2,594**	2,334	**10,170**	9,652
Non-interest expenses				
Compensation and employee benefits	**893**	831	**3,452**	3,284
Occupancy	**102**	83	**353**	312
Technology	**330**	227	**1,085**	915
Communications	**15**	13	**58**	57
Professional fees	**69**	68	**257**	249
Other	**198**	124	**596**	413
	1,607	1,346	**5,801**	5,230
Income before provisions for credit losses and income taxes	**987**	988	**4,369**	4,422
Provisions for credit losses	**115**	87	**397**	145
Income before income taxes	**872**	901	**3,972**	4,277
Income taxes	**104**	163	**637**	894
Net income	**768**	738	**3,335**	3,383
Net income attributable to				
Preferred shareholders and holders of other equity instruments	**35**	30	**141**	107
Common shareholders	**733**	708	**3,196**	3,277
Bank shareholders and holders of other equity instruments	**768**	738	**3,337**	3,384
Non-controlling interests	**–**	–	**(2)**	(1)
	768	738	**3,335**	3,383
Earnings per share *(dollars)*				
Basic	**2.16**	2.10	**9.47**	9.72
Diluted	**2.14**	2.08	**9.38**	9.61
Dividends per common share *(dollars)*	**1.02**	0.92	**3.98**	3.58

(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, 2023.

Consolidated Statements of Comprehensive Income

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2023	2022	2023	2022
Net income	768	738	3,335	3,383
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	363	322	155	471
Impact of hedging net foreign currency translation gains (losses)	(111)	(97)	(52)	(138)
	252	225	103	333
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	(52)	(21)	(87)	(197)
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	25	10	85	91
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	–	1	1	1
	(27)	(10)	(1)	(105)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	(35)	(50)	90	(25)
Net (gains) losses on designated derivative financial instruments reclassified to net income	(7)	10	25	33
	(42)	(40)	115	8
Share in the other comprehensive income of associates and joint ventures	–	–	1	(2)
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	(44)	(257)	(140)	(126)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	40	(1)	45	(27)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	72	10	(163)	601
	68	(248)	(258)	448
Total other comprehensive income, net of income taxes	251	(73)	(40)	682
Comprehensive income	1,019	665	3,295	4,065
Comprehensive income attributable to				
Bank shareholders and holders of other equity instruments	1,019	665	3,297	4,066
Non-controlling interests	–	–	(2)	(1)
	1,019	665	3,295	4,065

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 October 31		Year ended October 31	
	2023	2022	**2023**	2022
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	**(10)**	(9)	**(3)**	(13)
Impact of hedging net foreign currency translation gains (losses)	**(27)**	(19)	**(14)**	(28)
	(37)	(28)	**(17)**	(41)
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	**(19)**	(8)	**(33)**	(71)
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	**10**	3	**33**	32
Change in allowances for credit losses on debt securities at fair value through other comprehensive income reclassified to net income	**–**	–	**–**	–
	(9)	(5)	**–**	(39)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**(13)**	(18)	**35**	(9)
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(4)**	4	**9**	12
	(17)	(14)	**44**	3
Share in the other comprehensive income of associates and joint ventures	**–**	1	**–**	–
Items that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	**(16)**	(92)	**(43)**	(45)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	**6**	(1)	**8**	(10)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	**28**	4	**(63)**	216
	18	(89)	**(98)**	161
	(45)	(135)	**(71)**	84

Consolidated Statements of Changes in Equity

(unaudited) (millions of Canadian dollars)

	Year ended October 31	
	2023	2022
Preferred shares and other equity instruments at beginning	3,150	2,650
Issuances of preferred shares and other equity instruments	–	500
Preferred shares and other equity instruments at end	3,150	3,150
Common shares at beginning	3,196	3,160
Issuances of common shares pursuant to the Stock Option Plan	95	61
Repurchases of common shares for cancellation	–	(24)
Impact of shares purchased or sold for trading	3	(1)
Common shares at end	3,294	3,196
Contributed surplus at beginning	56	47
Stock option expense	18	17
Stock options exercised	(10)	(7)
Other	4	(1)
Contributed surplus at end	68	56
Retained earnings at beginning	15,140	12,854
Net income attributable to the Bank's shareholders and holders of other equity instruments	3,337	3,384
Dividends on preferred shares and distributions on other equity instruments	(163)	(119)
Dividends on common shares	(1,344)	(1,206)
Premium paid on common shares repurchased for cancellation	–	(221)
Issuance expenses for shares and other equity instruments, net of income taxes	–	(4)
Remeasurements of pension plans and other post-employment benefit plans	(140)	(126)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	45	(27)
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	(163)	601
Impact of a financial liability resulting from put options written to non-controlling interests	10	(8)
Other	22	12
Retained earnings at end	16,744	15,140
Accumulated other comprehensive income at beginning	202	(32)
Net foreign currency translation adjustments	103	333
Net change in unrealized gains (losses) on debt securities at fair value through other comprehensive income	(1)	(105)
Net change in gains (losses) on cash flow hedges	115	8
Share in the other comprehensive income of associates and joint ventures	1	(2)
Accumulated other comprehensive income at end	420	202
Equity attributable to the Bank's shareholders and holders of other equity instruments	23,676	21,744
Non-controlling interests at beginning	2	3
Net income attributable to non-controlling interests	(2)	(1)
Other	2	–
Non-controlling interests at end	2	2
Equity	23,678	21,746

Accumulated Other Comprehensive Income

	As at October 31, 2023	As at October 31, 2022
Accumulated other comprehensive income		
Net foreign currency translation adjustments	307	204
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	(35)	(34)
Net gains (losses) on instruments designated as cash flow hedges	146	31
Share in the other comprehensive income of associates and joint ventures	2	1
	420	202

Segment Disclosures

(unaudited) (millions of Canadian dollars)

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 beginning November 1, 2022. This presentation reflects a revision to the method used for the sectoral allocation of technology investment expenses, which are now immediately allocated to the various business segments, whereas certain expenses, notably costs incurred during the research phase of projects, had previously been recorded in the *Other* heading of segment results. This revision is consistent with the accounting policy change related to cloud computing arrangements applied in fiscal 2022.

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.

Results by Business Segment

Quarter ended October 31[1]

	Personal and Commercial		Wealth Management		Financial Markets		USSF&I		Other		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Net interest income[2]	**857**	785	**188**	187	**(440)**	113	**291**	277	**(161)**	(155)	**735**	1,207
Non-interest income[2]	**295**	286	**450**	426	**1,175**	450	**22**	(10)	**(83)**	(25)	**1,859**	1,127
Total revenues	**1,152**	1,071	**638**	613	**735**	563	**313**	267	**(244)**	(180)	**2,594**	2,334
Non-interest expenses[3,4,5]	**690**	574	**423**	349	**319**	254	**106**	90	**69**	79	**1,607**	1,346
Income before provisions for credit losses and income taxes	**462**	497	**215**	264	**416**	309	**207**	177	**(313)**	(259)	**987**	988
Provisions for credit losses	**65**	42	**1**	2	**24**	32	**23**	10	**2**	1	**115**	87
Income before income taxes (recovery)	**397**	455	**214**	262	**392**	277	**184**	167	**(315)**	(260)	**872**	901
Income taxes (recovery)[2]	**109**	120	**59**	69	**108**	74	**39**	35	**(211)**	(135)	**104**	163
Net income	**288**	335	**155**	193	**284**	203	**145**	132	**(104)**	(125)	**768**	738
Non-controlling interests	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Net income attributable to the Bank's shareholders and holders of other equity instruments	**288**	335	**155**	193	**284**	203	**145**	132	**(104)**	(125)	**768**	738
Average assets[6]	**151,625**	145,145	**8,494**	8,582	**193,484**	160,778	**24,258**	20,395	**64,134**	74,921	**441,995**	409,821
Total assets	**154,728**	146,668	**8,666**	8,486	**178,784**	157,803	**25,308**	21,217	**56,092**	69,566	**423,578**	403,740

Year ended October 31[1]

	Personal and Commercial		Wealth Management		Financial Markets		USSF&I		Other		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Net interest income[7]	**3,321**	2,865	**778**	594	**(1,054)**	1,258	**1,132**	1,090	**(591)**	(536)	**3,586**	5,271
Non-interest income[7,8]	**1,195**	1,169	**1,743**	1,781	**3,710**	1,210	**77**	20	**(141)**	201	**6,584**	4,381
Total revenues	**4,516**	4,034	**2,521**	2,375	**2,656**	2,468	**1,209**	1,110	**(732)**	(335)	**10,170**	9,652
Non-interest expenses[3,4,5,9]	**2,510**	2,241	**1,534**	1,417	**1,161**	1,029	**402**	344	**194**	199	**5,801**	5,230
Income before provisions for credit losses and income taxes	**2,006**	1,793	**987**	958	**1,495**	1,439	**807**	766	**(926)**	(534)	**4,369**	4,422
Provisions for credit losses	**238**	97	**2**	3	**39**	(23)	**113**	66	**5**	2	**397**	145
Income before income taxes (recovery)	**1,768**	1,696	**985**	955	**1,456**	1,462	**694**	700	**(931)**	(536)	**3,972**	4,277
Income taxes (recovery)[7,10]	**486**	449	**271**	254	**401**	388	**146**	143	**(667)**	(340)	**637**	894
Net income	**1,282**	1,247	**714**	701	**1,055**	1,074	**548**	557	**(264)**	(196)	**3,335**	3,383
Non-controlling interests	**–**	–	**–**	–	**–**	–	**–**	–	**(2)**	(1)	**(2)**	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	**1,282**	1,247	**714**	701	**1,055**	1,074	**548**	557	**(262)**	(195)	**3,337**	3,384
Average assets[6]	**148,511**	140,300	**8,560**	8,440	**180,837**	154,349	**23,007**	18,890	**69,731**	71,868	**430,646**	393,847
Total assets	**154,728**	146,668	**8,666**	8,486	**178,784**	157,803	**25,308**	21,217	**56,092**	69,566	**423,578**	403,740

(1) For the quarter and year ended October 31, 2022, certain amounts were reclassified, notably due to a revised method for the sectoral allocation of technology investment expenses.

(2) The *Net interest income*, *Non-interest income*, and *Income taxes (recovery)* items of the business segments are presented on a taxable equivalent basis. Taxable equivalent basis is a calculation method that consists of grossing up certain revenues taxed at lower rates by the income tax to a level that would make it comparable to revenues from taxable sources in Canada. For the business segments as a whole, *Net interest income* was grossed up by $90 million ($65 million in 2022), *Non-interest income* was grossed up by $75 million ($30 million in 2022), and an equivalent amount was recognized in *Income taxes (recovery)*. The effect of these adjustments is reversed under the *Other* heading.

(3) During the quarter and year ended October 31, 2023, the Bank recorded $75 million in intangible asset impairment losses ($54 million net of income taxes) on technology development, and it recorded $11 million in impairment losses on premises and equipment ($8 million net of income taxes) related to right-of-use assets.

(4) During the quarter and year ended October 31, 2023, the Bank recorded $35 million in litigation expenses ($26 million net of income taxes) to resolve litigations and other disputes arising from various ongoing or potential claims against the Bank.

(5) During the quarter and year ended October 31, 2023, the Bank recorded $15 million in charges ($11 million net of income taxes) for contract termination penalties and for provisions for onerous contracts.

(6) Represents an average of the daily balances for the period, which is also the basis on which sectoral assets are reported in the business segments.

(7) During the year ended October 31, 2023, for the business segments as a whole, *Net interest income* was grossed up by $332 million ($234 million in 2022), *Non-interest income* was grossed up by $247 million ($48 million in 2022), and an equivalent amount was recognized in *Income taxes (recovery)*. The effect of these adjustments is reversed under the *Other* heading.

(8) During the year ended October 31, 2023, the Bank concluded that it had lost significant influence over TMX and therefore ceased using the equity method to account for this investment. The Bank designated its investment in TMX as a financial asset measured at fair value through other comprehensive income in an amount of $191 million. Upon the fair value measurement, a $91 million gain ($67 million net of income taxes) was recorded in the *Non-interest income* item of the *Other* heading.

(9) During the year ended October 31, 2023, the *Non-interest expenses* item of the *Other* heading included an expense of $25 million ($18 million net of income taxes) related to the retroactive impact of the changes to the *Excise Tax Act*, indicating that payment card clearing services rendered by a payment card network operator are subject to the goods and services tax (GST) and the harmonized sales tax (HST).

(10) During the year ended October 31, 2023, the Bank recorded a $32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above $1 billion, as well as an $8 million tax recovery related to the 1.5% increase in the statutory tax rate, which includes the impact related to current and deferred taxes for fiscal 2022. These items are recorded in the *Other* heading. For additional information on these tax measures, see Note 24 to the audited annual consolidated financial statements for the year ended October 31, 2023.

Caution Regarding Forward Looking Statements

Certain statements in this document are forward-looking statements. All such 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 made in the Message From the President and Chief Executive Officer on the *2023 Annual Report* and other statements about the economy, market changes, the Bank's objectives, outlook, and priorities for fiscal year 2024 and beyond, the strategies or actions that will be taken to achieve them, expectations for the Bank's financial condition, its activities, the regulatory environment in which it operates, its environmental, social, and governance targets and commitments, and certain risks to which the Bank is exposed. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", in their future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would" as well as similar terms and expressions.

Such forward-looking statements are made for the purpose of assisting the holders of the Bank's securities in understanding the Bank's financial position and results of operations as at and for the periods ended on the dates presented, 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 and are subject to uncertainty and inherent 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 may 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 significantly from these statements due to a number of factors. Thus, 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 significantly 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 the uncertainties they represent 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 2024 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 provisions for credit losses. These assumptions appear in the *2023 Annual Report* in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections, and may be updated in the quarterly reports to shareholders.

The forward-looking statements made in this document are based on a number of assumptions and are subject to 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 financial market conditions in Canada, the United States, and the other countries where the Bank operates; the impact of upheavals in the U.S. banking industry; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes made to fiscal, monetary, and other public policies; changes made to regulations that affect the Bank's business; geopolitical and sociopolitical uncertainty; climate change, including physical risks and those related to the transition to a low-carbon economy, and the Bank's ability to satisfy stakeholder expectations on environmental and social issues; 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 Bank's ability to recruit and retain key personnel; technological innovation, including advances in artificial intelligence and the open banking system, and heightened competition from established companies and from competitors offering non-traditional services; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory matters or litigation; changes made to the accounting policies used by the Bank to report financial information, including the uncertainty inherent to assumptions and critical accounting estimates; changes to tax legislation in the countries where the Bank operates; changes made to capital and liquidity guidelines as well as 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; the potential impacts of disruptions to the Bank's information technology systems, including cyberattacks as well as identity theft and theft of personal information; the risk of fraudulent activity; and possible impacts of major events affecting 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.

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 risk factors is provided in the Risk Management section beginning on page 62 of the *2023 Annual Report* and may be updated in the quarterly shareholder's reports subsequently published.

Information for Shareholders and Investors
Disclosure of Fourth Quarter 2023 Results

Conference Call
- A conference call for analysts and institutional investors will be held on Friday, December 1, 2023 at 11:00 a.m. ET.
- Access by telephone in listen-only mode: 1-800-806-5484 or 416-340-2217. The access code is 3705216#.
- A recording of the conference call can be heard until March 1, 2024 by dialing 1-800-408-3053 or 905-694-9451. The access code is 4238787#.

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 *Press Release* (which includes the quarterly consolidated financial statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
- The *Press Release*, 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.
- The *2023 Annual Report* (which includes the audited annual consolidated financial statements and management's discussion and analysis) will also be available on National Bank's website.
- The *Report to Shareholders* for the first quarter ended January 31, 2024 will be available on February 28, 2024 (subject to approval by the Bank's Board of Directors).

For more information
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- Debby Cordeiro, Senior Vice-President – Communication, Public Affairs and ESG, 514-412-0538

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