

EVENT: CANADIAN WESTERN BANK  
FOURTH QUARTER RESULTS CONFERENCE CALL  
TIME: 12H00 E.T.  
REFERENCE: CNW GROUP  
LENGTH: APPROXIMATELY 26 MINUTES  
DATE: DECEMBER 6, 2007

---

**"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."**

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

OPERATOR: Good afternoon, ladies and gentlemen. Thank you for standing by. Welcome to the Canadian Western Bank Fourth Quarter Results Conference Call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time to queue up for questions. If anyone has any difficulties hearing the conference, please press star, followed by zero for operator assistance at any time. I would like to remind everyone that this conference call is being recorded on Thursday, December 6th, 2007, at 12:00 p.m. Eastern time.

I will now turn the conference over to Miss Tracey Ball, Chief Financial Officer. Please go ahead.

TRACEY BALL (Chief Financial Officer, Canadian Western Bank): Thank you, Kiren (phon), and good morning from Edmonton, and welcome to the 2007 fourth quarter and annual results conference call for Canadian Western Bank.

Before we begin, I want to quickly note that the conference call graphs, quarterly press release and supplemental financial information are available on the Bank's website at [cwbankgroup.com](http://cwbankgroup.com) in the Investor Relations section, under "Financial Report". The conference call graphs are also available under the "Webcast Events" section on our website.

Before we begin, I'd like to draw your attention to the forward-looking statement advisory on Slide 12.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

The agenda for today's call is on Slide 2. Joining me for the presentation is Larry Pollock, President and Chief Executive Officer. Also in attendance are Bill Addington, Executive Vice President, whose responsibilities include credit risk management; we have Brian Young, President and Chief Executive Officer of Canadian Direct Insurance, and Executive Vice President of Canadian Western Bank, whose responsibilities include our insurance and trust operations; we also have Randy Garvey, Executive Vice President, whose responsibilities include Treasury and Systems; and Chris Fowler, our Senior Vice President of Credit Risk Management.

I would now like to direct your attention to Slide 3, and ask Larry to begin our presentation with an overview of our fourth quarter results.

LARRY POLLOCK (President and Chief Executive Officer, Canadian Western Bank): Thanks, Tracey. We are very pleased to report record earnings and revenues for both our 78th consecutive profitable quarter and fiscal 2007, our 18th consecutive year of double-digit growth. Both of our segments continued to perform very well. Net income from banking and trust operations was up 40 percent over the same time last year on strong loan growth of 4 percent in the quarter and 28 percent over the past year. Canadian Direct Insurance reported fourth quarter net income of 2.6 million, a 33 percent increase over 2006. For the beginning of the year results surpassed our expectations and led to excellent performance compared to all of our 2007 targets. Our new targets for fiscal 2008 reflect expectations for continued strong performance

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

supported by our more sustainable double-digit growth. The Bank's expanding market presence and Western Canada's economic strength continue to support a solid flow of new deals. While ongoing softness in forestry and natural gas markets has led to increased challenges for some of our customers, gross impaired loans in the year remain below historical norms, particularly measured against the growth of our portfolio. Our loans as well structured -- and -- are well structured and we remain confident in the strength and diversity of these quality assets.

Overall, credit quality remains strong and throughout this excellent credit cycle we continue to build our provisions. Given ongoing disruptions to the financial market, it bears repeating that we have no direct exposure to troubled non-bank sponsored asset-backed commercial paper, collateralized debt obligations or the US subprime lending. In response to the disruptions we did increase liquidity levels in the fourth quarter with funds raised primarily through our deposit broker network. Although it has a negative impact on net interest margin, we will maintain this strategy until uncertainties and interest spreads in the financial markets return to more predictable levels. This strategy also allows us to remain well positioned to capitalize on new accretive growth opportunities that may become available.

We launched a high interest savings account branded, Summit Savings, in July that has been very well received. By year-end this account represented more than 320 million of core branch raised deposits and it continues to grow. It

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

is also providing to be -- proving to be a very effective way to expand our customer base and increase the Bank's brand awareness.

Yesterday, our Board of Directors declared a quarterly dividend of \$0.10 per share. This dividend represents an 11 percent increase over the previous quarter and is 25 percent higher than the same quarter last year. We continue to target at 20 to 25 percent payout ratio and will review our dividends each quarter. At October 31st, our one year total return to shareholders, including reinvested dividends was 47 percent.

I'll now turn things over to Tracey, who will provide a summary of financial highlights, beginning with slide five.

TRACEY BALL: Thank you, Larry.

Fourth quarter net income of 29.6 million or \$0.46 per diluted share were both up 39 percent compared to the same quarter last year. Consolidated results reflect record earnings from banking and trust operations driven by excellent loan growth, strong other income and a lower effective tax rate. Canadian Direct Insurance also recorded solid results. Total revenues on a taxable equivalent basis were a record 74.4 million, an increase of 25 percent. Return on equity of 20.1 percent with 360 basis points better than the fourth quarter last year, while return on assets was up 9 basis points to 1.29 percent. Net income increased 23 percent over the previous quarter reflecting an exceptional contribution from trust services, continued strong loan growth and a much lower effective tax rate.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Slide six shows annual results in comparison to our fiscal 2007 performance targets, all of which were surpassed by considerable margins. Net income of 96.3 million was up 34 percent over last year, and compares to our target of 20 percent. Diluted earnings per share were \$1.50, up 33 percent. Total revenues of 273.5 million increased 23 percent compared to our target of 15 percent. Revenues were driven by excellent loan growth that was double our 14 percent target, as well as very strong growth in non-interest income. Loan growth was primarily sourced within Alberta and BC and reflects very strong double-digit growth across all lending sectors. Credit quality remains strong and provisions for credit losses represented 16 basis points of average loans. Total revenue growth continued to outpace growth in non-interest expenses, leading to a new benchmark efficiency ratio of 44.6 percent. This was a 140 basis points improvement compared to both our target and last year's results. Return on equity of 17.4 percent improved to 260 basis points over last year, and was 240 basis points better than our target. Our higher return on equity reflects very strong operating performance across all business lines and a more efficient capital structure. Return on assets for the year was 1.18 percent, up 6 basis points over last year, and 8 basis points better than our target.

The next few slides summarize the highlights for our banking and trust operations beginning with slide seven. Net income of 26.9 million was up 40 percent over the same quarter last year. Total revenue growth of 25 percent reflects 22 percent higher net interest income and a 42 percent increase in non-

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

interest income. Net interest income benefitted from strong loan growth offset by a lower net interest margin. Growth in non-interest income reflects strong growth across all areas, led by a 2.9 million increase in trust services fee income and a 500,000 increase in foreign exchange income. Banking and trust earnings also reflect a previously disclosed tax benefit that increased fourth quarter net income by 2.9 million. This compares to a tax benefit in the fourth quarter last year that increased net income by approximately [audio interference]. The fourth quarter net interest margin of 2.42 percent was 18 basis points lower than last year, mainly due to higher debenture interest costs, increased deposit costs and liquidity levels related to uncertainties in the financial markets and a change in accounting estimates related to the amortization of premiums on certain securities. Compared to the third quarter net income increased 24 percent due to an exceptional contribution from trust services, loan growth and a much lower effective tax rate, partially offset by a lower net interest margin, due to the reasons I've already noted with the exception of higher debenture [audio interference] costs.

Slide eight details the progress we have made in generating additional deposits through our branch network and Canadian Western Trust. Total branch generated deposits increased 5 percent in the quarter, and 27 percent in the past year, keeping pace with our excellent loan growth. Within branch deposits, the demand in notice component was up 10 percent in the quarter and 34 percent in the past year. Quarterly growth in demand in notice deposits reflects the

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

success of our Summit Savings Account that Larry already mentioned. Demand in notice deposits comprised 27 percent of total deposits at year-end, up from 26 percent in 2006. Branch generated deposits measured as a percentage of total deposits was 64 percent, down from 66 percent last year, with the decrease reflecting the liquidity rate in the fourth quarter.

Slide nine shows the financial highlights for our Insurance segment. Canadian Direct reported earnings of 2.6 million for the quarter, 33 percent higher than last year. Net income benefitted from 17 percent growth in net earned premium, a 300,000 greater before tax contribution from the Alberta Auto Risk Sharing Pools, and increased investment income. The increase net earned premiums reflect the elimination of quota share reinsurance in November 2006, as well as large growth in policies outstanding and good customer retention. Policy sales and average premiums in the BC auto product line continue to be negatively impacted by the pricing strategy of the Insurance Corporation of British Columbia. The combined ratio for the quarter of 89 percent improved 200 basis points from the same quarter last year. Net income increased 400,000 over the third quarter due to a positive 1.2 million before tax allocation from the Alberta Auto Risk Sharing Pool, partially offset by lower net earned premium.

I'll now turn things back to Larry who will provide comments on outlook and strategy, beginning on slide 10.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

LARRY POLLOCK: As evidenced by our fiscal 2008 performance targets, our outlook for the foreseeable future is positive, notwithstanding the impact of increased uncertainties including the abnormal spreads in the financial markets.

We continue to benefit from the Bank's expanding market presence, with the most recent highlight being the fourth quarter opening of the specialized commercial services branch in Medicine Hat, Alberta. Future initiatives include confirmed plans for three additional first full service branches in Alberta, and plans in progress for at least two new branches in British Columbia. We also plan to open a Valiant Trust office in Toronto in 2008. Economic conditions in our markets remain strong and we continue to see a solid flow of new high quality loans. We expect Western Canada's economies will continue to outperform the rest of the country despite observed softness in certain industries. Our loan growth target for fiscal 2008 is 15 percent.

In terms of credit quality, our experience continues to be good. As I mentioned earlier, improved loans remain below historical norms -- or impaired loans remain below historical norms, particularly considering our portfolio growth over the past three years. These amounts are expected to fluctuate over time as loans become impaired and are subsequently resolved. The fourth quarter increase in impaired loans is mainly due to forestry related accounts and our exposure to the industry remains low at approximately 3 percent of the total book. Both targets or earnings in total revenues have been set at 15 percent and 17 percent respectively. Expected loan volumes will contribute to higher net

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

interest income and credit fees, while our insurance and trust businesses have solid platforms to support further growth in non-interest income. Our funding costs have been impacted by both higher quality levels and abnormal spreads in the financial markets. We are adjusting our loan pricing methods to help offset this impact. But as already noted, we expect pressures on net interest margin to continue into 2008. We have set our efficiency ratio target at 45 percent as growth in revenues should more than offset increased costs related to further expansion and inflation. We have a strong and efficient capital base to support continued growth and maintain our 17 percent return on equity. Our target for return on assets is consistent with last year at 1.10 percent

Slide 11. The next slide summarizes Canadian Western Bank's current strategic priorities which will remain centred on people, infrastructure, process and business enhancement. Encompassed under our business enhancement objective is our readiness to capitalize on accretive growth opportunities that may become available. Indications still support ongoing economic strength in Western Canada and we have room to continue to increase our market share across all of our business lines. Our dedicated staff and disciplined business plan have also -- us well positioned for sustained success. The outlook overall is positive despite disruptions of the financial markets and softness in some sectors. I'm looking forward to another great year in 2008.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

TRACEY BALL: Thanks, Larry. That concludes our formal presentation for today's call. At this time, I'll ask Kiren to begin the question-and-answer period.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question-and-answer session. If you have a question, please press the star, followed by the one on your touch-tone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys.

Your first question comes from Michael Goldberg of Desjardins Securities. Please go ahead.

MICHAEL GOLDBERG: Thanks very much. First, I have a couple of quick number questions. You know, you can give me or get back to me, the amounts of personal loans at the end of the year and the amount of personal demand, I noticed the loans net of allowance -- you know, so if you want to get back to me on that that's fine. The other question that I had was, with 4 percent loan growth in the fourth quarter, compared to the 28 percent for the full year, I'm wondering if loan growth has moderated? Do you see it moderating and what does the pipeline look like?

LARRY POLLOCK: Michael, the pipeline is still pretty good. I expect it will moderate. I don't think it would be realistic to expect to generate 28 percent this year on top of 28 percent last year and 24 or 6 the year before and 17 the

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

year before that. We've built our book up quite a bit and so those percentage increases on a higher number is going to be more difficult to achieve. So we set our target at 15 percent for 2008.

MICHAEL GOLDBERG: When you set your target last year did you foresee that loan growth would come in stronger than the target that you were setting? And do you feel the same way now, maybe... You know, in other words, if there's a target and that you know, it may turn out to be exceeded?

LARRY POLLOCK: It may turn out to be exceeded or not achieved. One of the great unknowns out there is of course what are our competitors going to do, what is their liquidity position? We don't know that and we don't know how aggressive they're going to be in generating assets that attract a lot of capital, such as most of our book which is commercial. So if certainly there is some retransching (phon) and we've seen some competitors not be active in the market as they were before, you know, we are prepared and well structured with a good capital base and lots of liquidity to take up some of those opportunities. So I expect even if the market does slow and GDP does back off a little bit, Michael, we will still see opportunities as we have experienced in the past.

MICHAEL GOLDBERG: Okay. And just one other thing and then I'll re-queue. You talked about being ready to capitalize on accretive growth opportunities, do you want to give us any examples?

LARRY POLLOCK: Well they might assets that would have been financed by someone that securitizes, you know, brokers, that is, securitizing

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

assets. And these could be commercial assets. In particular we know that many of our competitors, GE Capital, Cap (phon) Finance, they use the commercial paper market to generate their liquidity. That's become a lot more extensive. Are they going to be a little bit stingier in using that and is that going to leave us opportunities? I expect so. There's also the factory companies like Cat Finance, John Deere Finance, how aggressive are they going to be. We're not sure yet. We're still seeing them very active but if they do reduce their normally aggressive stance in that market, we would be prepared to pick up some of the slack.

MICHAEL GOLDBERG: Thanks a lot.

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time, please press the star, followed by the one. As a reminder, if you are using a speaker phone, please lift the handset before pressing the keys.

Your next question comes from Amanda Mason of TD Newcrest. Please go ahead.

AMANDA MASON: Good morning.

TRACEY BALL: Good morning.

AMANDA MASON: Hi. I wondered if I could ask a bit more about the increase in the trust services fees, and they spiked quite a bit year-over-year, and I just wondered if you could provide some more detail regarding that?

BRIAN YOUNG (President and Chief Executive Officer of Canadian Direct Insurance, and Executive Vice President of Canadian Western Bank): Yes, Amanda. It's Brian. What happened in the fourth quarter is we had three very

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

large transactions that occur occasionally in the capital markets that (inaudible) in trust, particularly participated in and so that led to a spike in those fees. And at the same time we've had continued solid growth in our personal trust services and in our corporate and group services. So all of that continues to build as we add accounts and then when you add in the sort of three large transactions that took place in Q4 you get that spike in fees.

AMANDA MASON: And then how much did the three large transactions represent of the increase, is it 2.9 million?

TRACEY BALL: Around 2.1 million, Amanda.

AMANDA MASON: Okay, thank you. And if I may, just going to back to your comments, Larry. I'm wondering what forecast you've assumed for GDP growth in Alberta and British Columbia in your targets for next year?

LARRY POLLOCK: I think we were looking at in the three to four range.

AMANDA MASON: Okay. Is that for both Alberta and BC?

LARRY POLLOCK: Yes. And Alberta has been, I think trending higher than that. I saw some government numbers recently, they were at 6.6, but I expect Alberta will slow down a little bit and probably should. I mean most companies are really wrestling with costs and labour shortages, so a lot of projects although they've been announced won't go forward as quickly as one might expect.

AMANDA MASON: Okay, thank you very much. Thanks.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

OPERATOR: Your next question is a follow-up from Michael Goldberg of Desjardins Securities. Please go ahead.

MICHAEL GOLDBERG: Thanks. I thought there'd be more questions. Could you give us an update on your alternative mortgage business?

LARRY POLLOCK: Sure. Do you want to do that, Bill?

BILL ADDINGTON (Executive Vice President, Canadian Western Bank): Sure. We had a very strong, Michael. We ended the year at about \$375 million outstanding. I think on an annualized quote basis that's about 63 percent. We saw some slower growth in the fourth quarter partly because the market's in Calgary and Edmonton have -- has slowed off a bit. Also partly given the fact that with the market disruptions with respect to asset backed commercial paper, there's a lot of uncertainty in the market. A lot of brokers weren't sure who was doing what and we saw quite a spike in our (inaudible), but we also saw a spike in our declines. So our asset quality still remains very good. We haven't experienced any material losses in that business. Quarter over quarter our impaired loans actually went down a bit. So we see -- we still see very good promise and we think there's going to be probably a little less competition and we see some better pricing in that market.

MICHAEL GOLDBERG: Did you tighten up your standards in the fourth quarter?

BILL ADDINGTON: In some regards, yes. And I think that was probably common through the market. I think most lenders are taking a little harder look at

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

rental properties in certain areas and we started doing that in tune with the market. And I think there has been a general increase in pricing too.

MICHAEL GOLDBERG: Okay. And one other question that I had on a different subject. Could you, you know, discuss the repercussions of Alberta Treasury's exposure, so the non-bank ADCP and what impact that's had in the marketplace there?

LARRY POLLOCK: There's been two negative articles in the newspapers, the local papers here, about their possibly larger than expected exposure. I think they've announced that exposure at around 1.2 billion. They did take a \$79 million write-down, which doing the math is around 7 percent. But I don't know what paper they actually called in their book. They are a member of the Montreal Accord. But when you look at what the other banks have taken as write-downs and they're -- they would be at the low end of the banks, I would think.

MICHAEL GOLDBERG: Is this experience, you know, in your view, having any impact on rethinking the situation for treasury branches?

LARRY POLLOCK: One would hope so and should. There's a very good reason, Michael, why banking is a federal responsibility and it's a regulated business, a highly regulated business, and to have effectively an institution operating out of a back door of a provincial treasury without a federal banking license, seems bewildering to me. I know why it was set up in the 30s but I think those days are long gone and I would hope that the province would privatize it at this point.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

MICHAEL GOLDBERG: Thank you very much.

OPERATOR: Miss Ball, there are no further questions at this time.  
Please continue.

TRACEY BALL: Okay, thank you, Kiren. Thank you very much everyone for your continued interest in Canadian Western Bank. We look forward to reporting to you on our first quarter of fiscal 2008 on March 6th. If you have any follow-up questions or comments, please call us or contact us by email. Thank you, good day and the best for the season.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. Please disconnect your lines.

\*\*\*\*\*

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »