



CANADIAN
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BANK

Think Western®

Second Quarter 2008 Conference Call

June 5, 2008

www.cwbankgroup.com





1. Second Quarter Overview

Larry Pollock, President & CEO

2. Second Quarter Financial Summary

Tracey Ball, Executive Vice President & CFO

3. Outlook & Strategy

Larry Pollock

4. Questions & Answers





Highlights

- Solid financial performance (banking, trust, insurance)
- Total assets surpassed \$10 billion
- Constrained total revenues and earnings growth due to pressures on net interest margin related to disruptions in financial markets
- Good position to meet all fiscal 2008 performance targets
 - high quality, double digit loan growth
 - healthy economic fundamentals despite softness in some areas
 - ongoing strong credit quality
- Valiant Trust Company opened a share transfer services office in Toronto

**80th consecutive
profitable quarter,
20 years**





Highlights (continued)

- No direct exposure to any troubled asset backed commercial paper, collateralized debt obligations, U.S. subprime lending or monoline insurers
- Maintaining higher liquidity in response to market disruptions
 - expect to bring liquidity back to historic levels as market disruptions continue to be worked out
- Quarterly dividend of \$0.11 declared, up 10% from the previous quarter and 22% compared to a year earlier





Consolidated Financial Results

Second Quarter Results

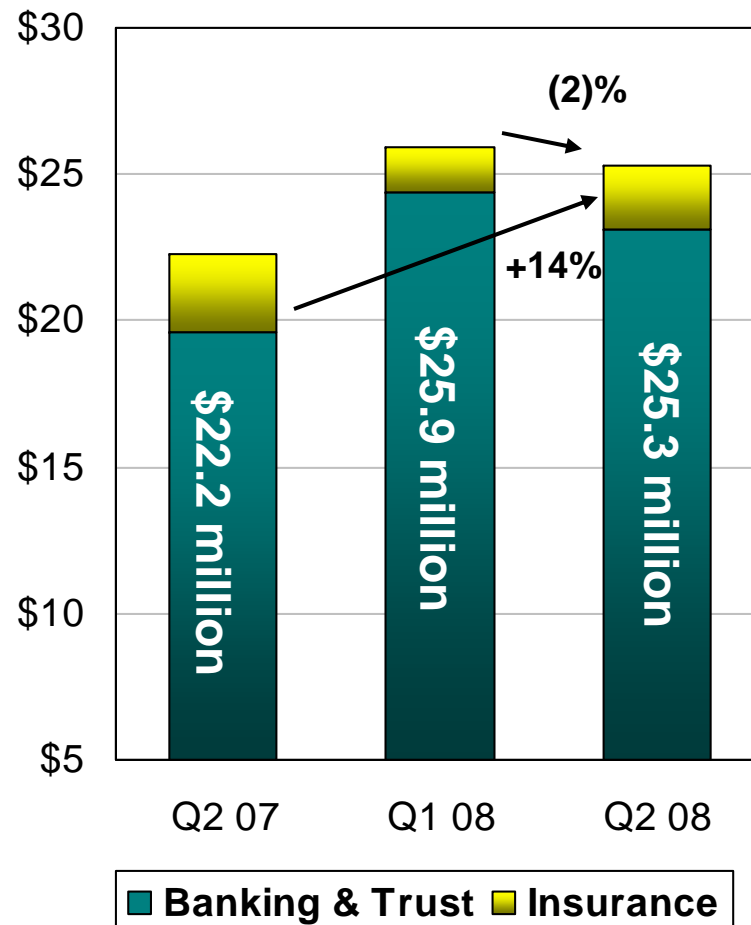
(compared with second quarter 2007)

- Net income of \$25.3 million, up 14%
- Diluted EPS of \$0.39, up 11%
- Total revenues (teb) of \$73.8 million, up 10%
- ROE 16.1%, down 70 basis points
- ROA 1.04%, down 13 basis points

(compared with first quarter 2008)

- Net income down 2% (\$0.6 million)
 - lower net interest margin
 - non-interest expenses
 - two fewer revenue earning days
- Total revenues (teb) down modestly

Net Income





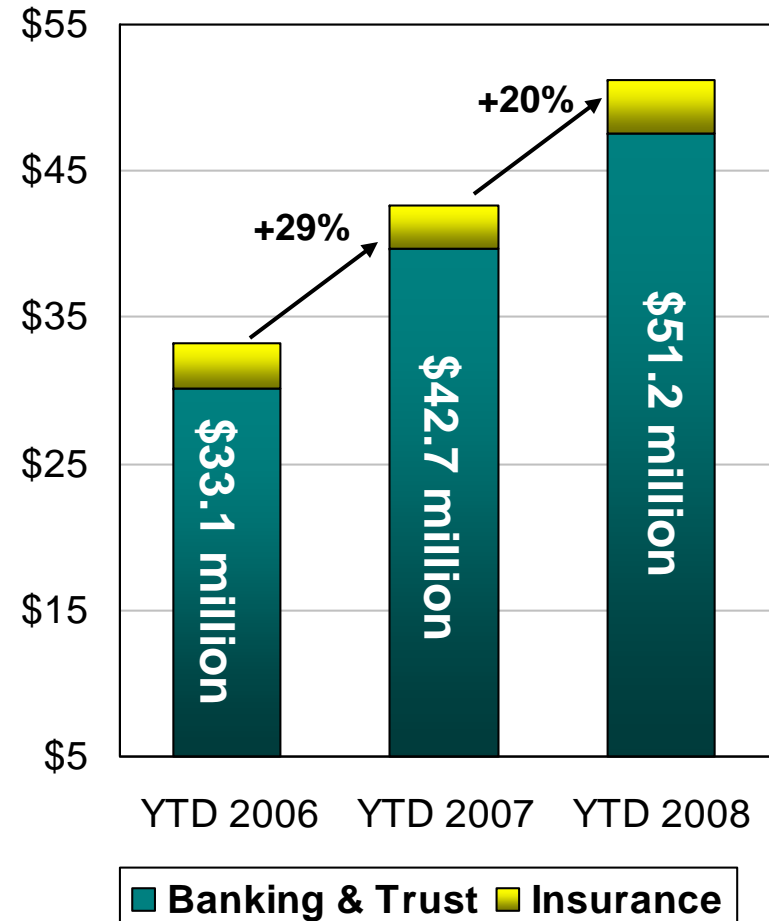
Consolidated Financial Results

Year-to-date Results

(compared with same period in 2007)

- Net income of \$51.2 million, up 20%
- Diluted EPS of \$0.79, up 18%
- Total revenues (teb), up 16%
- ROE 16.5%, up 40 basis points
- ROA 1.05%, down eight basis points

Net Income (year-to-date)





Banking & Trust

Second Quarter Results

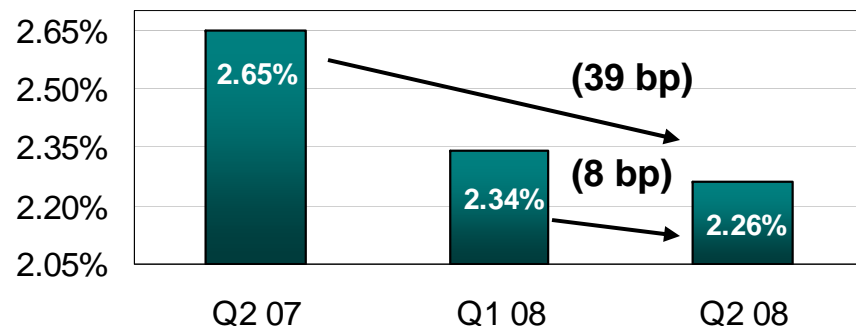
(compared with second quarter 2007)

- Net income up 18%
- Total revenues (teb) up 12%
 - net interest income up 10%
 - constrained by a lower net interest margin
 - Non interest income up 25%

(compared with first quarter 2008)

- Net income down 6%
 - lower net interest margin
 - 11% increase in non-interest expenses
 - two fewer days
 - partially offset by 3% loan growth

Net Interest Margin (teb)
(Banking & Trust)



- Down 39 basis points from Q1 07
 - increased deposit costs related to disruptions in financial markets
 - reductions in prime lending rate
 - increased liquidity
- Down eight basis points from Q1 08



Banking & Trust

Branch Deposits

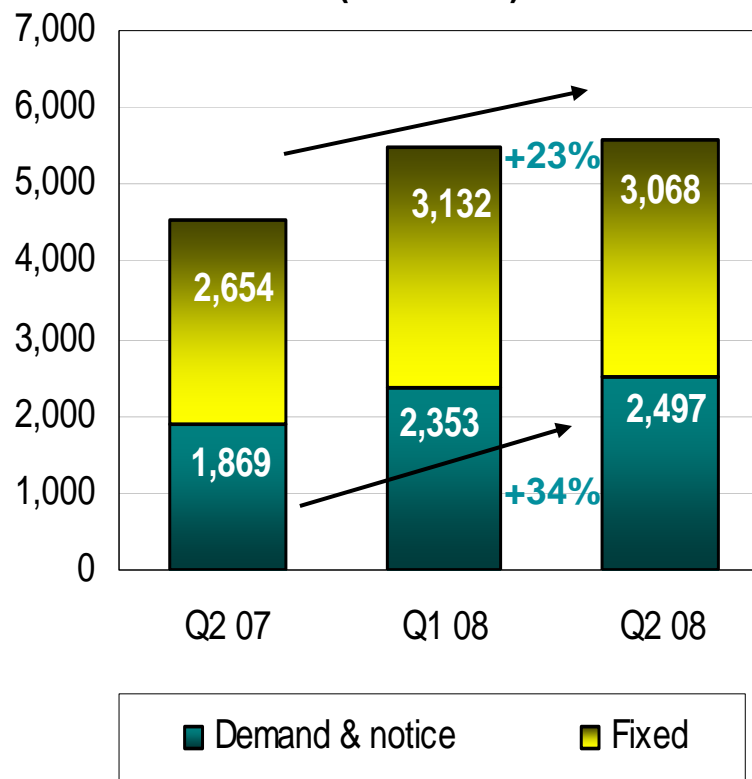
- Increased 2% over Q1 08
- Increased 23% over Q2 07
- Comprised 64% of total deposits
 - increased liquidity – deposit broker network

Demand and Notice Deposits

- Increased 6% over Q1 08
- Increased 34% over Q2 07
 - success of *Summit Savings*[®]
- Comprised 29% of total deposits

Branch Deposits

(\$ millions)





Insurance - Highlights

Second Quarter Results

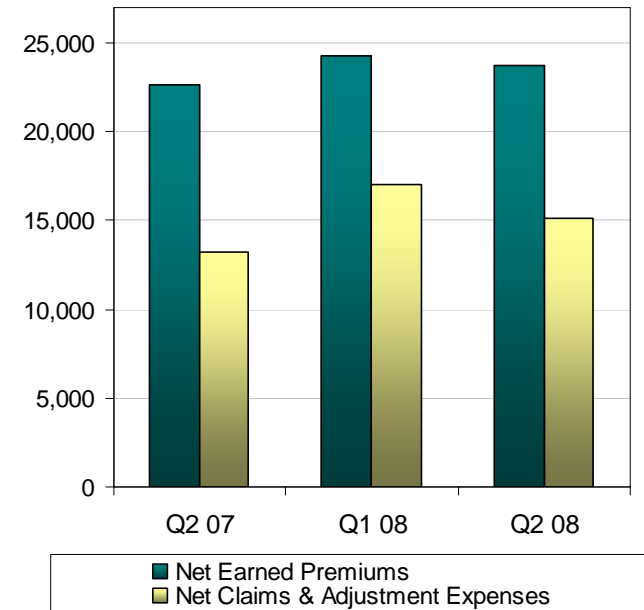
(compared with second quarter 2007)

- Net income of \$2.2 million, down \$0.4 million
 - \$0.7 million lower before tax contribution from the Alberta auto risk sharing pools
- Increased policies, partially offset by lower average premium per policy in the BC auto product line
- Combined ratio of 92%

(compared with first quarter 2008)

- Net income up \$0.7 million
 - improved claims experience attributed to post-winter weather

**Net Earned Premiums /
Claims Experience**
(\$ thousands)





Performance Targets

	2008 Target	2008 YTD Performance ⁽¹⁾
Net income growth	15%	20%
Total revenue growth (teb)	17%	16%
Total loan growth	15%	21%
Provision for credit losses	0.15%	0.15%
Efficiency ratio (teb)	45%	44.0%
Return on equity	17%	16.5%
Return on assets	1.10%	1.05%

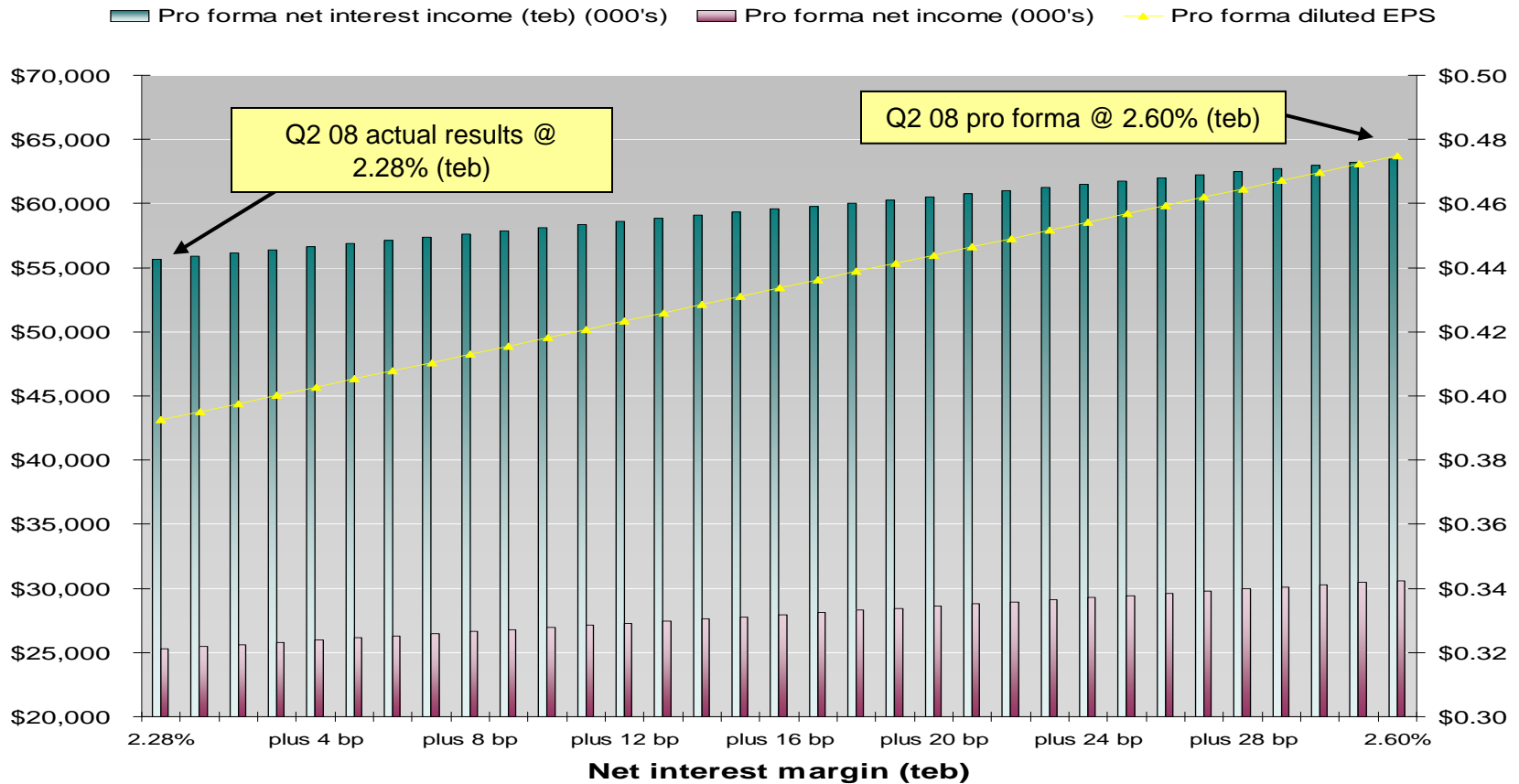
- (1) 2008 YTD Performance for earnings and revenue growth is the current year results over the same period in the prior year, loan growth is the increase over the past twelve months and performance ratio targets is the current year-to-date results annualized.

Outlook – Financial Performance



Overall positive outlook

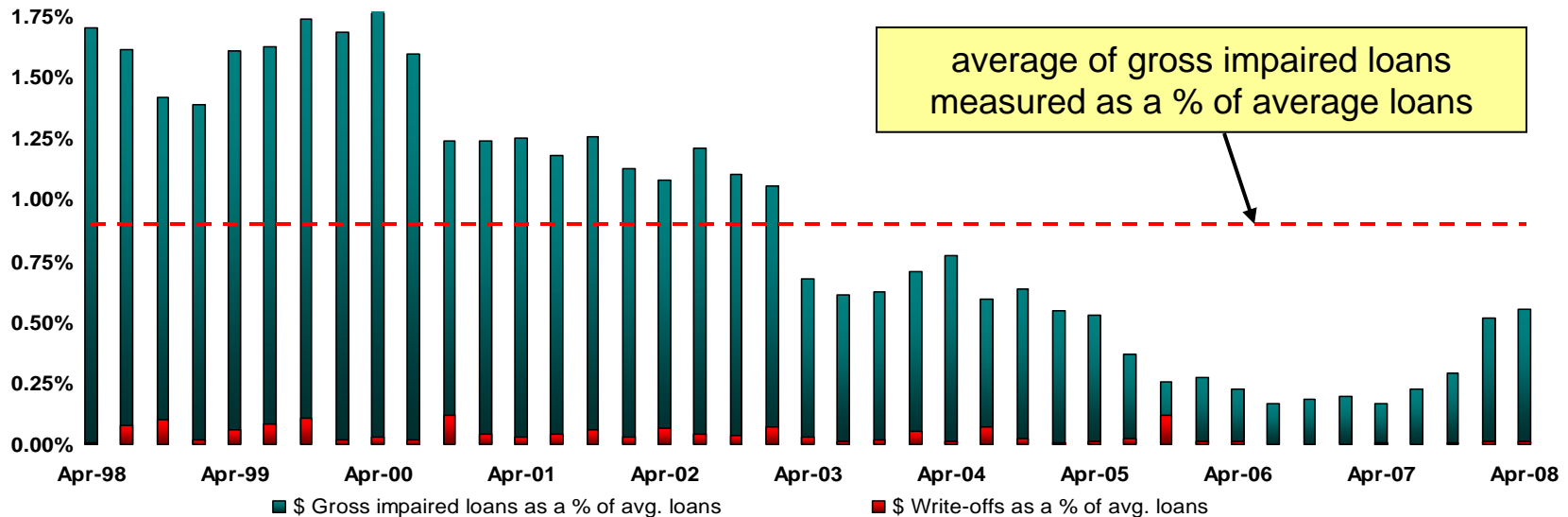
- Despite disruptions in financial markets
 - pressures on net interest margin





Moderated economic growth in Western Canada (still ahead of other provinces)

- solid new deal flow
- softness in certain industries
- ongoing strong credit quality
- well reserved and positioned to manage the credit cycle

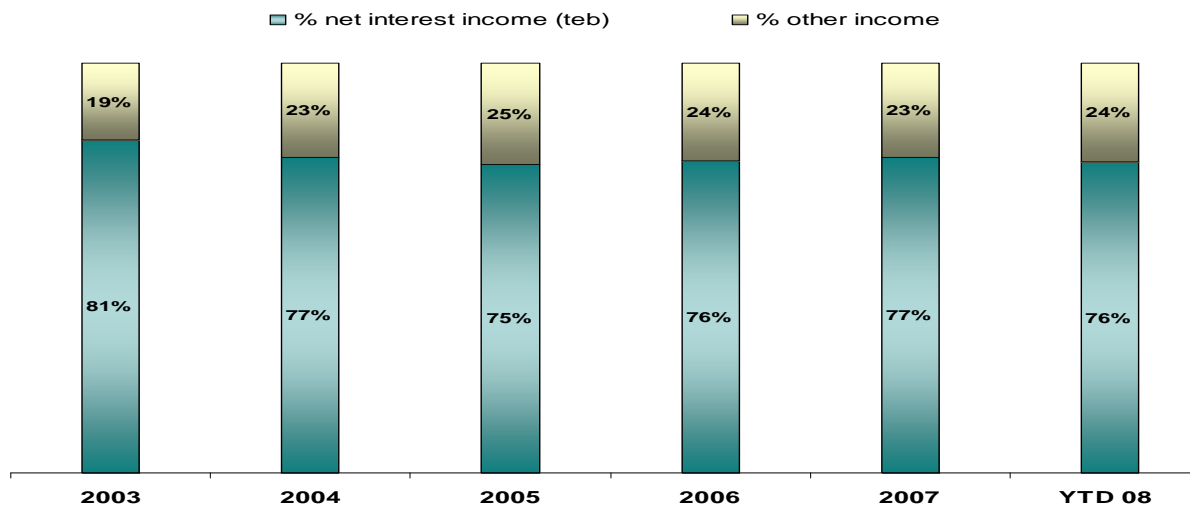


CWB 10-year average actual losses (Nov 1/97 – Oct 31/07) were 15 bp of average loans (excluding fiscal 2006 where recoveries actually exceeded losses)

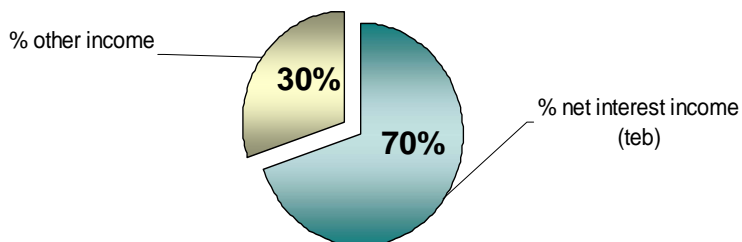


Diversification of revenues

- Canadian Western Trust
- Valiant Trust
- Canadian Direct Insurance



Medium-term objective to grow other income to encompass 30% of total revenues



- Trust services
- Insurance
- Other (accretive and complementary)



Strategic Priorities

- Strategic focus
 - People
 - Infrastructure
 - Process
 - Business Enhancement





From time to time Canadian Western Bank (the “Bank”) makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about the Bank’s objectives and strategies, targeted and expected financial results and the outlook for the Bank’s businesses or for the Canadian economy. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “may increase”, “may impact” and other similar expressions or future or conditional verbs such as “will”, “should”, “would” and “could”.

By their very nature, forward-looking statements involve numerous assumptions. A variety of factors, many of which are beyond the Bank’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition in the Bank’s markets, the occurrence of weather related and other natural catastrophes, the accuracy of and completeness of information the Bank receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of the Bank’s business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management’s ability to anticipate and manage the risks associated with these factors. The preceding list is not exhaustive of possible factors. These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Bank does not undertake, unless required by securities law, to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

