



CANADIAN WESTERN BANK GROUP

BANK • TRUST • INSURANCE

Third Quarter 2008

Conference Call

September 4, 2008

www.cwbankgroup.com





1. Third Quarter Overview

Larry Pollock, President & CEO

2. Third Quarter Financial Summary

Tracey Ball, Executive Vice President & CFO

3. Outlook & Strategy

Larry Pollock

4. Questions & Answers



Highlights

- Solid financial performance
 - third quarter earnings up 10% over Q3 07
 - trend of double-digit loan growth for nineteen consecutive years
- Record total revenues despite the impact of significant ongoing margin compression
 - underscores CWB's strong risk profile and good market position
 - persistent market turmoil - margin pressures expected to continue
- Solid results from both business segments
- Sound economic fundamentals in Western Canada
 - softness in some sectors
 - strong flow of new, high quality lending opportunities – some improved pricing observed
 - expanding market presence



Highlights (continued)

- Ongoing strong credit quality
 - disciplined lending practices
 - well reserved and positioned to manage future credit events
- Lower liquidity compared to last quarter
 - ongoing liquidity levels to be monitored with particular attention
- No direct exposure to any troubled asset backed commercial paper, collateralized debt obligations, U.S. subprime lending or monoline insurers
- Quarterly dividend of \$0.11 declared, unchanged from the previous quarter and up 22% compared to a year earlier



Consolidated Financial Results

Third Quarter Results

(compared with third quarter 2007)

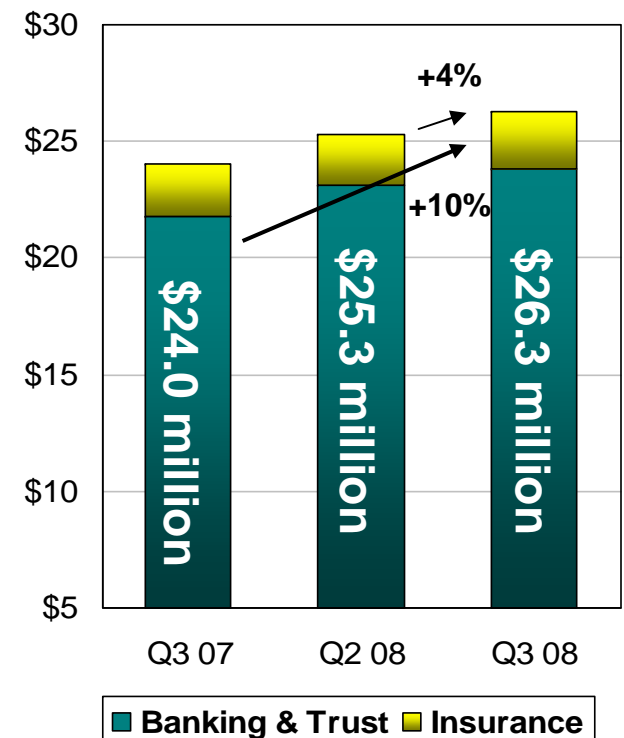
- Net income of \$26.3 million, up 10%
- Diluted EPS of \$0.41, up 11%
- Record total revenues (teb) of \$76.4 million, up 8%, despite significant margin compression
- ROE 16.0%, down 110 basis points
- ROA 1.03%, down 11 basis points

(compared with second quarter 2008)

- Net income up 4% (\$1.0 million)
 - two additional days
 - strong loan growth and fee income
 - partially offset by higher non-interest expenses and a slightly lower net interest margin

81 consecutive profitable quarters, 20+ years

Net Income





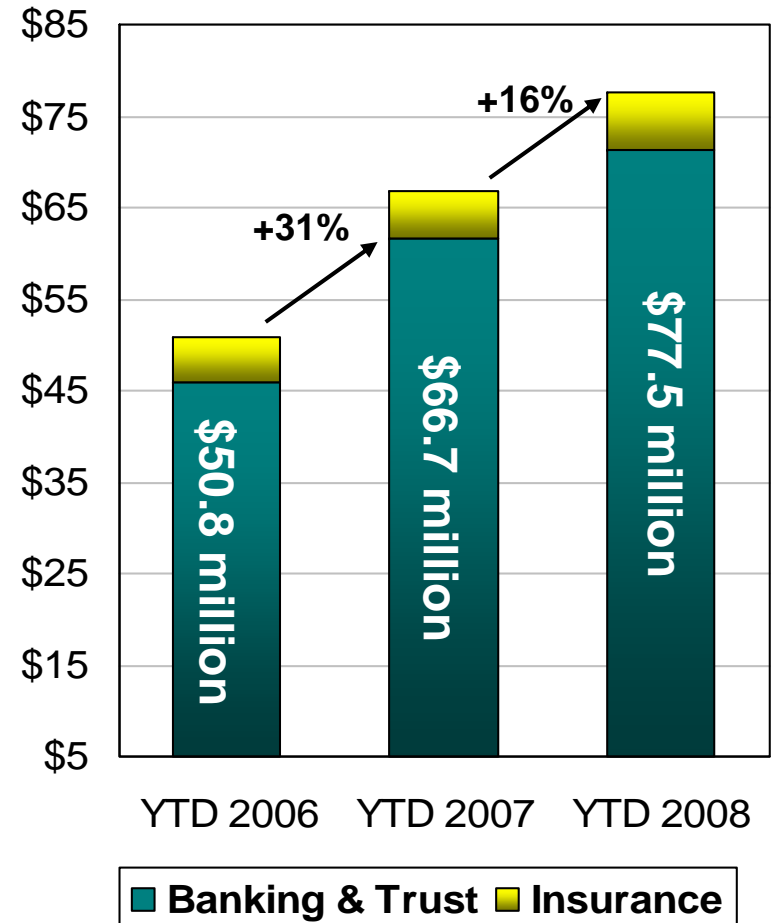
Consolidated Financial Results

Year-to-date Results

(compared with same period in 2007)

- Net income of \$77.5 million, up 16%
- Diluted EPS of \$1.20, up 15%
- Total revenues (teb), up 13%
 - net interest income (teb), up 10%, reflecting constrained growth from margin compression
 - other income, up 23%
- ROE 16.3%, down 20 basis points
- ROA 1.05%, down eight basis points

Net Income (year-to-date)





Banking & Trust

Third Quarter Results

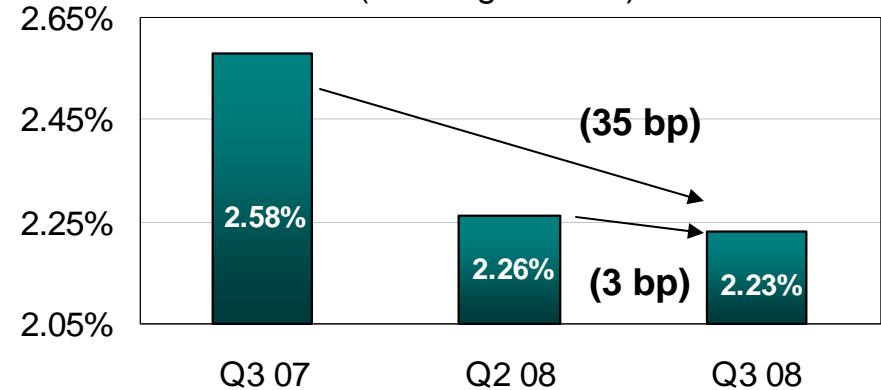
(compared with third quarter 2007)

- Net income up 9%
- Total revenues (teb) up 8%
 - net interest income, up 4%, reflecting constrained growth from margin compression
 - other income up 23%

(compared with second quarter 2008)

- Net income up 3%
 - strong fee-based income
 - two additional days
 - loan growth
 - partially offset by higher non-interest expenses and a slightly lower margin

Net Interest Margin (teb)
(Banking & Trust)



- Down 35 basis points from Q3 07
 - increased deposit costs related to disruptions in financial markets
 - lower prime lending rate
 - increased liquidity
- Down three basis points from Q2 08



Banking & Trust

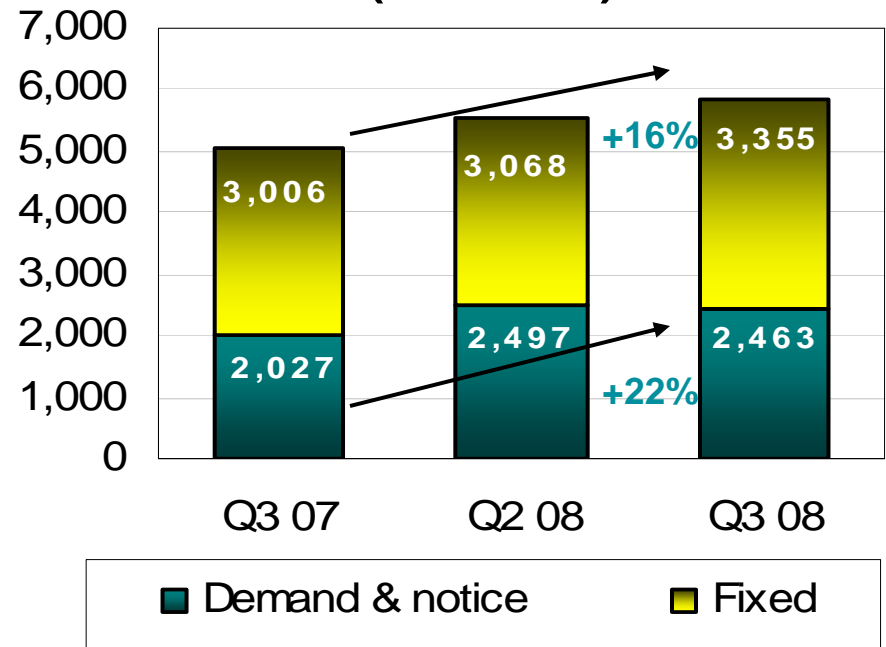
Branch Deposits

- Increased 5% over Q2 08
- Increased 16% over Q3 07
- Comprised 68% of total deposits

Demand and Notice Deposits

- Decreased 1% from Q2 08
- Increased 22% over Q3 07
 - success of *Summit Savings*[®]
- Comprised 29% of total deposits
- Focus on further diversifying and enhancing internal funding sources

Branch Deposits (\$ millions)





Insurance - Highlights

Third Quarter Results

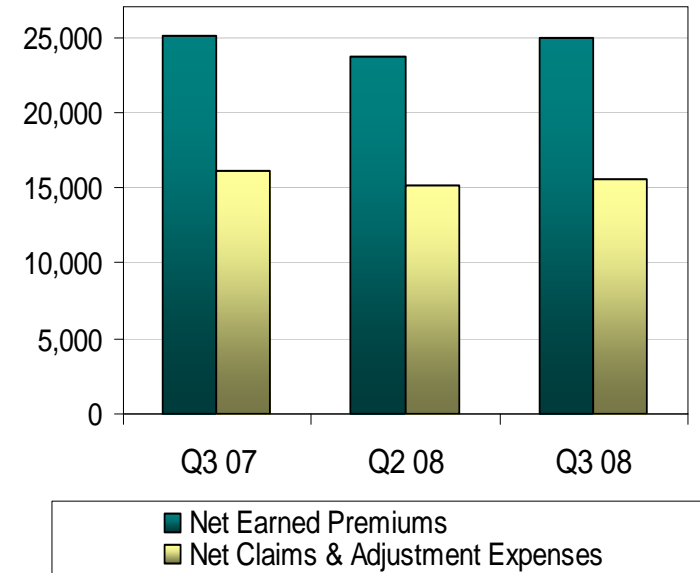
(compared with third quarter 2007)

- Net income of \$2.5 million, up 13%
 - improved claims experience
 - absent the impact of the Alberta auto risk sharing pools, net earned premiums increased 3%
 - ongoing competitive pressures in the BC auto product line
- Combined ratio of 91%
- Expense ratio of 29%

(compared with second quarter 2008)

- Net income up \$0.3 million
 - improved claims experience

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





Performance Targets

- Achievement of certain performance targets doubtful
 - ongoing market disruptions have had a more significant and long-term impact on net interest margin than initially anticipated
 - exceptional comparative financial results in Q4 07

	2008 Target	2008 YTD Performance ⁽¹⁾
Net income growth	15%	16%
Total revenue growth (teb)	17%	13%
Total loan growth	15%	15%
Provision for credit losses	0.15%	0.15%
Efficiency ratio (teb)	45%	44.4%
Return on equity	17%	16.3%
Return on assets	1.10%	1.05%

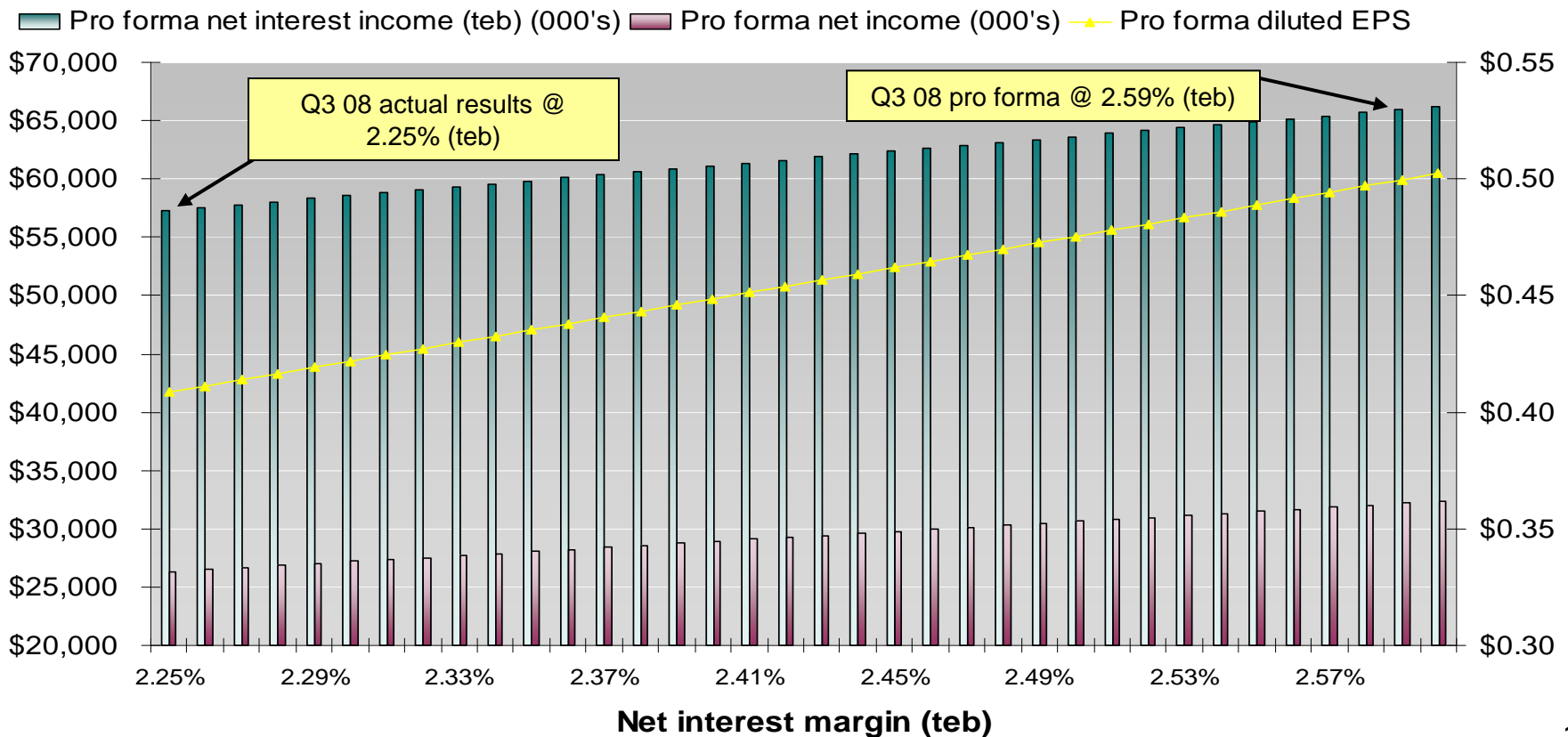
(1) 2008 YTD Performance for earnings and revenue growth is the current year results over the same period in the prior year, loan growth is the increase over the past twelve months and performance ratio targets is the current year-to-date results annualized.

Outlook – Financial Performance



Overall positive outlook – despite ongoing disruptions in financial markets

- margins expected to return to more normal historic levels over time
 - appropriate pricing of loans
 - enhanced capacity to generate deposits

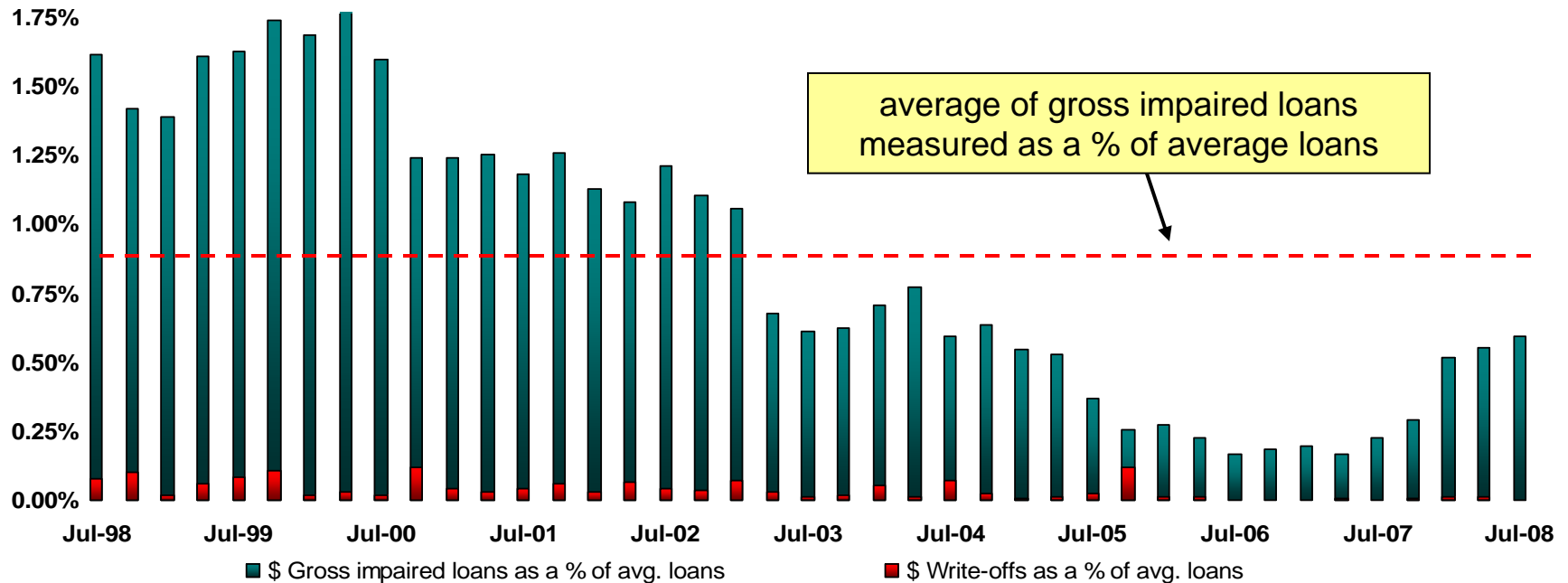


Outlook – Financial Performance



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

- solid new deal flow
- softness in certain industries
- expect ongoing strong credit quality

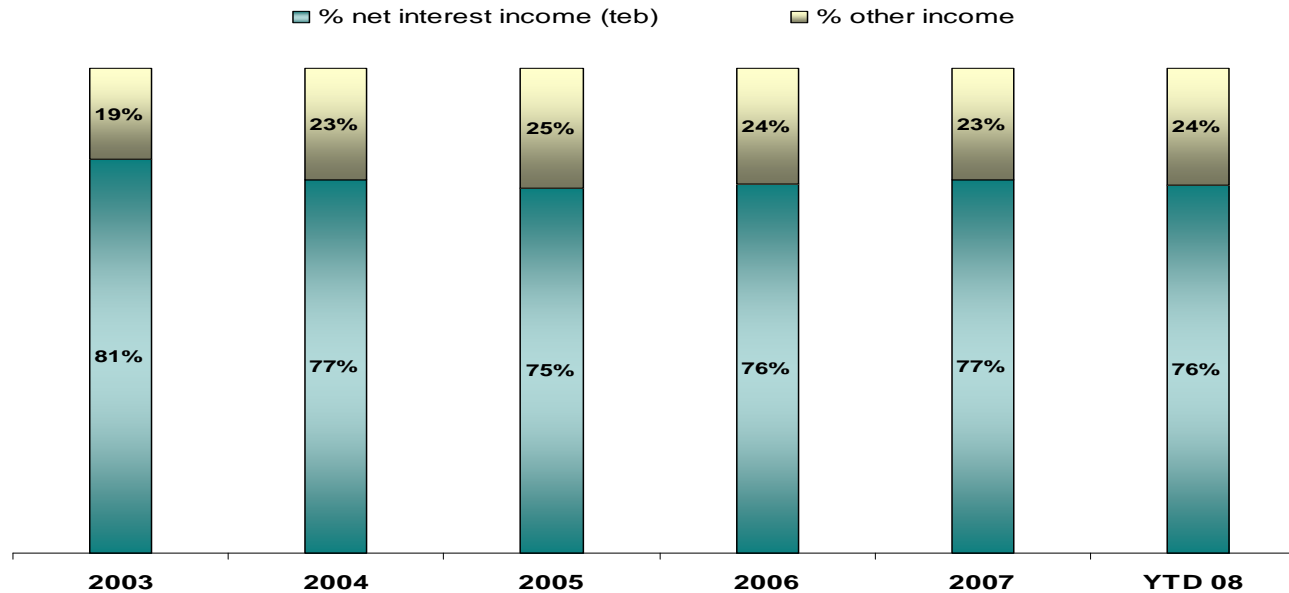


CWB 10-year average actual losses (Nov 1/97 – Oct 31/07) were 13 bp of average loans (including fiscal 2006 where recoveries exceeded losses)



Diversification of revenues (business, geographic)

- Trust services & Insurance



- Optimum Mortgage
 - pilot expansion in Ontario – underwriting residential mortgages
- Ongoing business enhancement initiatives – possibly expand sources of fee-based income via acquisition



Strategic Priorities

- Strategic focus
 - People
 - Infrastructure
 - Process
 - Business Enhancement
- Maintain strong fiscal responsibility
- Market share opportunities
 - expansion of branch network (BC, AB, SK)
- Positioned for continued success and strong financial performance





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.

