



CANADIAN WESTERN BANK GROUP

BANK • TRUST • INSURANCE • WEALTH MANAGEMENT

**First Quarter 2009
Conference Call**

March 5, 2009

www.cwbankgroup.com



1. First Quarter Overview

Tracey Ball, Executive Vice President & CFO

2. Outlook & Strategy

Larry Pollock, President & CEO

3. Questions & Answers





Highlights

- Good financial performance
 - despite a deteriorating economic outlook and ongoing market turmoil
 - very strong loan growth of 4% in quarter and 17% over the past twelve months
 - adverse impact on total revenues and overall profitability due to a significantly lower net interest margin
 - unusually high gains on sale of securities
 - extraordinary market demand for short-term government debt
- Increase in gross impaired loans
 - remained within historic range of acceptable levels
- “50 Best Employers in Canada” for a third consecutive year





Highlights (continued)

- Closed acquisition of Adroit Investment Management Ltd.
- No direct exposure to troubled asset-backed commercial paper, CDO's, credit default swaps, U.S. subprime lending or monoline insurers
- On March 2, subsequent to quarter end, closed \$200 million offerings of Preferred Share Units.
 - CWB pro forma capital ratios among the strongest of all Canadian banks
 - included strategic private placements with Fairfax Financial Holdings Limited and Alberta Investment Management Corp. (AIMco)
- Quarterly common dividend of \$0.11 per share declared, unchanged from the previous quarter and up 10% compared to a year earlier
- Initial preferred dividend of \$0.292979 per preferred share payable on April 30, 2009 to shareholders of record on April 22, 2009, representing CWB's first dividend on the recently issued 'Series 3' preferred shares.



Consolidated Financial Results

First Quarter Results

(compared with first quarter 2008)

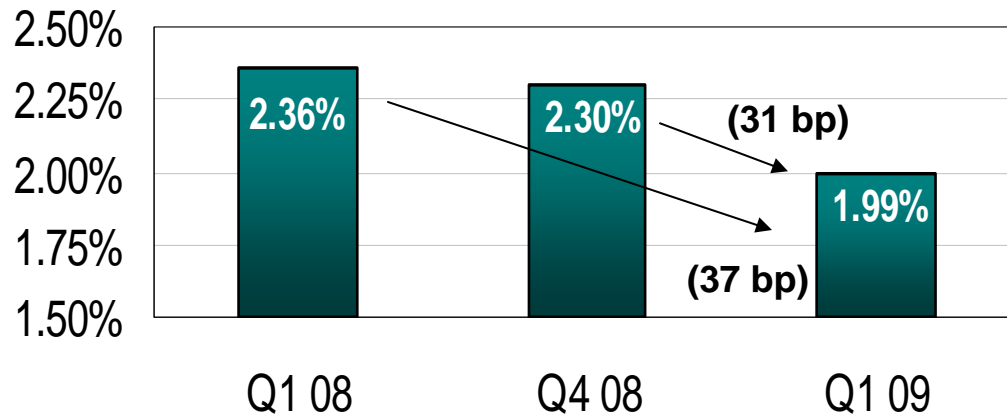
- Net income of \$25.6 million, down 1%
- Diluted EPS of \$0.40, unchanged
 - strong loan growth
 - other income up 27%
 - securities gains
 - partially offset by lower credit fee income and net insurance revenues
 - lower effective tax rate
 - offset by significantly lower net interest margin (teb) and higher non-interest expenses
- Total revenues (teb) of \$76.9 million, up 3%
 - net interest income (teb) down 4%

(compared with fourth quarter 2008)

- Net income up 5%
 - securities gains and very strong lending activity
 - offset by margin compression and lower net insurance revenues
- Total revenues up 4% despite \$4.0 million decline in net interest income (teb)



Net Interest Margin (teb)



- Margin pressures expected to continue
 - lower prime lending rate (further 50 basis point drop on March 3, 2009)
 - elevated deposit costs related to disruptions in financial markets
 - partially offset by lower average liquidity and improved pricing on new and renewal accounts



Consolidated Financial Results

	2009 Target Ranges	2009 YTD Performance ⁽¹⁾
Net income growth	2% - 5%	(1) %
Total revenue growth (teb)	5% - 8%	3%
Total loan growth	10%	17%
Provision for credit losses	0.15% - 0.18%	0.15%
Efficiency ratio (teb)	46% - 49%	47.3%
Return on equity	14% - 16%	14.7%
Return on assets	0.90% - 1.05%	0.93%

- (1) 2009 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.

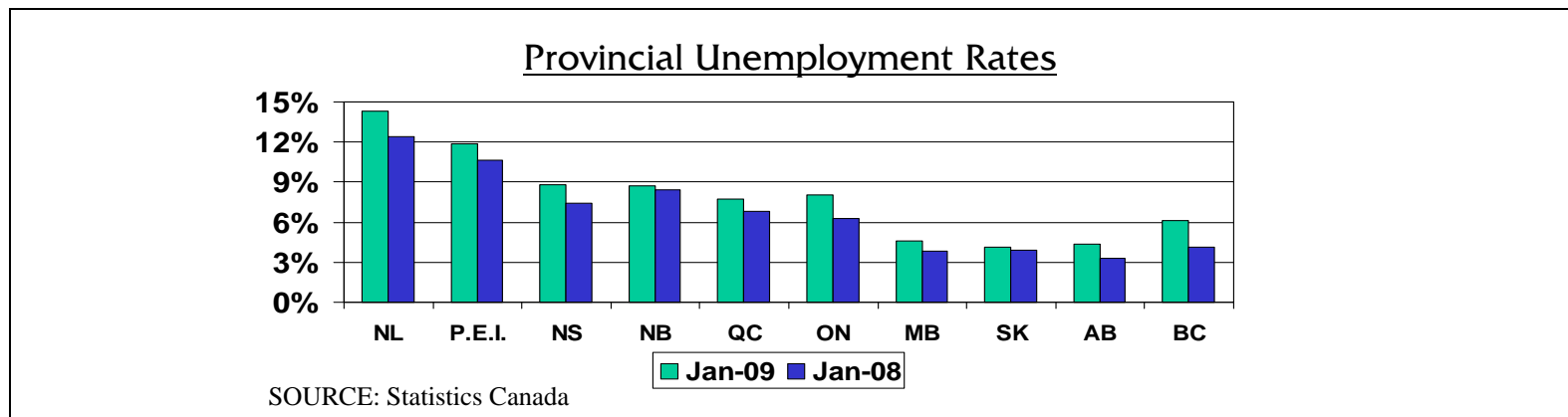


- Well positioned to capitalize on opportunities and manage ongoing global uncertainties
 - strategic preferred share issue – ‘chaos brings opportunities’
 - determined to effectively deploy capital for the benefit of all stakeholders
- Primary challenge continues to be compressed net interest margin
 - strategies to improve margin ongoing
 - favourable pricing on new and renewal accounts
 - interest rate floors negotiated
- Continue to carry high levels of liquidity

<u>(Actual as at January 31, 2009)</u>		<u>(Pro forma as at January 31, 2009)</u>	
Tangible common equity	7.5%	Tangible common equity	7.5%
Tier 1 capital	8.7%	Tier 1 capital	10.9%
Total capital	13.0%	Total capital	15.2%

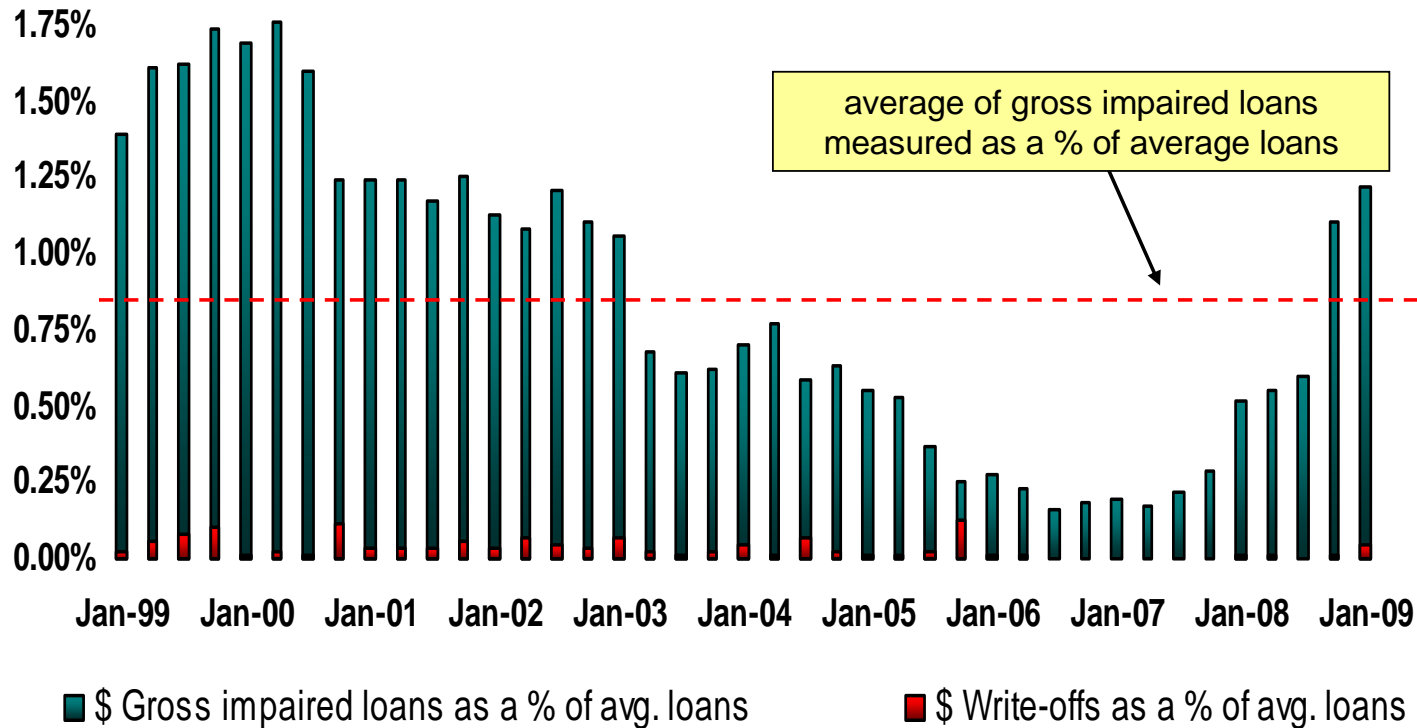


- Western Canada impacted by global turmoil
 - further challenges ahead (management believes Western Canada is well positioned relative to the rest of Canada)
 - slower deal activity (opportunities to increase market share)
 - high quality loan growth currently in line with the 2009 target of 10%
 - offset by expected paybacks in interim construction loans
- Strong fiscal responsibility
 - spending consistent with long-term strategic plan (enhanced growth platform, including ongoing branch expansion)





Gross impaired loans & write-offs (as a percentage of average loans)



- Eight interim construction accounts represent 59% of gross impaired loans
 - common themes of softening real estate markets, escalated construction costs and limited access to capital
- Disciplined underwriting, secured lending practices – all current expected losses reflected in specific provisions



Strategic Priorities



- Ongoing development of fee-based income sources (trust, insurance, wealth management)
- Market share opportunities
- Enhancements to the retail deposit base
- Well positioned for continued success





Forward-looking Statements

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, general business and economic conditions in Canada including the volatility and lack of liquidity in financial markets, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, regulatory and legal developments, the level of competition in the Bank's markets, the occurrence of weather-related and other natural catastrophes, changes in accounting standards and policies, 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. It is important to note that 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 as a number of important factors could cause the Bank's actual results to differ materially from the expectations expressed in such forward looking statements. Unless required by securities law, the Bank does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy in 2009 and how it will affect CWB's businesses are material factors the Bank considers when setting its objectives. In setting performance target ranges for fiscal 2009, management's expectations assume prolonged economic uncertainty that includes significantly challenged global economies and troubled markets; moderated economic activity in Western Canada; a declining interest rate environment supported by stable inflation partially attributed to lower energy and commodity prices; sound credit quality with actual losses remaining within the Bank's historic range of acceptable levels; and, a compressed net interest margin consistent with elevated deposit costs, reduced prime lending rates, comparatively lower investment returns reflecting high quality assets held in the securities portfolio and the Bank's higher liquidity levels maintained in response to disruptions in financial markets, partially offset by expectations for higher credit spreads and a corresponding increase in loan yields on both new lending facilities and renewal accounts.

Q & A / Executive Management

