

For Immediate Release: Thursday, December 6, 2001

CWB conference call (listen only mode):
Friday, December 7 at 11:00am EST (9:00am MST);
416-646-3095 or toll-free 888-571-5411; broadcast live on the Bank's website,
www.cwbank.com. The webcast will be archived for 60 days.
Phone replay numbers (archived for two weeks) are:
416-640-1917 or toll-free 877-289-8525; passcode is 151554#

**CANADIAN WESTERN BANK REPORTS STRONG 4th QUARTER AND
RECORD YEAR; CREDIT QUALITY & ORGANIC GROWTH REMAIN
STRONG; SEMI-ANNUAL DIVIDEND IS INCREASED TO \$0.20 PER SHARE**

Edmonton, December 6 -- Canadian Western Bank today announced results for both the fourth quarter of 2001 and the 2001 fiscal year.

Fourth Quarter Results: (three months ended October 31, 2001 compared with three months ended October 31, 2000)

- ◆ Income before taxes was \$12.7 million compared with \$9.9 million, an increase of 28%, and the corresponding provisions for taxes were \$4.4 million compared with \$1.7 million.
- ◆ Net income was \$8.31 million compared with \$8.22 million.
- ◆ Fully diluted earnings per share were \$0.61 (\$0.66 basic) compared with \$0.68 (\$0.74 basic).
- ◆ Revenues (net interest income and other income) were \$27.7 million compared with \$24.1 million, an increase of 15%.
- ◆ Provision for credit losses was \$1.52 million compared with \$1.35 million.
- ◆ Efficiency ratio (expenses to revenues) improved to 48.6% from 53.2%.

2001 Annual Results: (the year ended October 31, 2001 compared with the year ended October 31, 2000)

- ◆ Income before taxes was \$46.6 million compared with \$35.4 million, an increase of 32%, and the corresponding provisions for taxes¹ were \$15.2 million compared with \$5.4 million.
- ◆ Net income¹ was \$31.40 million compared with \$26.95 million, an increase of 17%.
- ◆ Fully diluted earnings per share¹ were \$2.40 (\$2.62 basic) compared with \$2.26 (\$2.42 basic).
- ◆ Revenues (net interest income and other income) were \$105.3 million compared with \$88.6 million, an increase of 19%.
- ◆ Provision for credit losses was \$6.1 million compared with \$5.1 million, at 0.23% of average loans compared with 0.21% last year.
- ◆ Efficiency ratio (expenses to revenues) improved to 50.0% from 54.3%.
- ◆ Total assets were \$3.44 billion compared with \$3.06 billion, an increase of 12.4%.

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¹ Excludes unusual, non-cash income tax expense of \$1.25 million in 2001 and \$0.6 million in 2000 to reflect the writedown of future income tax assets due to future tax rate reductions.

The Board of Directors has declared that the semi-annual dividend will be increased \$0.02 to a total of \$0.20 and will be paid on January 7, 2002 to shareholders of record on December 20, 2001.

Larry Pollock, President and Chief Executive Officer, said that fiscal 2001 was a remarkably successful year for the Bank in which it had generated record earnings despite a significant increase in tax and closed a successful equity issue of 1.1 million shares via a "bought deal" in the second quarter. Net income before taxes at \$46.6 million increased 32% over 2000. He noted that the Bank had set six particularly high internal performance targets for the year and that it had succeeded in surpassing five of them and only missed the sixth by a slight margin. One of the key targets was to achieve net income growth of 10% and the actual performance was more than 16%. Another of the targets had been to achieve loan growth of 14% and just under 13% growth was achieved.

Mr. Pollock said it was particularly noteworthy that the Bank's growth was achieved while maintaining strong credit quality. He added that another important accomplishment was that the Bank ended the year with an efficiency ratio of 50.0%, the best in the Canadian banking industry.

Canadian Western Trust

Canadian Western Trust delivered excellent results in fiscal 2001. Assets under administration increased to \$874 million, up 18% from the previous year. Fee based revenues (included in other income) for the Trust increased 25% quarter over quarter and 37% year over year.

The Trust has developed a profitable specialty niche by providing quality services to the owners of self-directed RRSPs and RRIFs. This area recorded account growth of 12% for the year. The Trust had expanded its range of services in fiscal 2000 to include registered pension plans and stock purchase plans and both of these new areas contributed to earnings this year. In 2001 services were further expanded to include registered pension custody and executive compensation plans.

Economic Climate in Western Canada

Despite noticeable slowdowns elsewhere in North America the economic climate in Western Canada remains satisfactory, particularly in Alberta.

The British Columbia economy has been weakening in 2001 but has prospects to improve when the United States and world economies recover. Alberta is expected to remain relatively stronger despite lower oil and gas prices. The prairie provinces although showing some weakness currently, are expected to remain stable to improving in 2002.

Notwithstanding some weakness in the current economic climate, the Bank's credit quality remains strong and demand for loan funding by quality borrowers is increasing.

Asset Growth

Total assets grew more than 12% in fiscal 2001 to \$3.44 billion reflecting organic growth and the successful conclusion of two portfolio acquisitions in the fourth quarter. A loan portfolio totaling approximately \$48 million, and including both term loans and leases to energy related commercial borrowers primarily in Western Canada, was acquired from Westcoast Capital effective July 31. In mid October, two branches of Laurentian Bank of Canada (Kelowna, B.C. and Regina, Sask.) were acquired. These added some \$48 million to assets and \$36 million to deposit liabilities.

Loan growth is expected to remain in the double digit level through fiscal 2002. In addition, a strongly proactive acquisition philosophy remains in place.

Branch Expansion

There were four major branch initiatives during fiscal 2001, with three branches opened or expanded in British Columbia and the fourth in Alberta. The opening of the Strawberry Hill Branch in Surrey was achieved in March. The Guildford industrial center operations were transferred to a new and highly visible full service branch in Coquitlam and the Victoria branch was given a major renovation and expansion. In Alberta, a new branch has been opened in a large, customer friendly facility situated in a rapidly expanding area in southeast Edmonton. Opening of the new branch occurred early in the new fiscal year.

Taxation

The effective annual income tax rate in fiscal 2001 was approximately 33%, a significant increase from 15% in the prior year. The provision for income taxes was \$4.41 million in the fourth quarter compared with \$1.70 million in the same quarter last year. Provision for income taxes for the full year (excluding unusual non-cash tax expense related to writedown of future income tax assets due to tax rate reductions) was \$15.19 million compared with \$5.44 million.

The Bank has now utilized all of its previously unclaimed tax deductions and expects to be fully taxable going forward. The effective tax rate for fiscal 2002 is estimated to be in the 37-40% range.

Credit Quality

Credit quality is strong. Net impaired loans as a percentage of total loans were 0.25% this quarter compared with 0.13% at the end of the previous quarter and 0.17% one year ago. At year end, net impaired loans were \$7.1 million. The allowance for credit losses at October 31, 2001 totaled \$28.4 million. Of this amount, \$6.9 million was allocated to specific provisions, compared with \$7.4 million in the previous quarter. The general allowance was \$21.5 million, compared with \$21.2 million at July 31, 2001. Relative to risk weighted assets, the general allowance was 0.79% compared with 0.79% the previous quarter and 0.87% one year ago.

The provision for credit losses for the fourth quarter was \$1.52 million, the same as in the previous quarter and up from \$1.35 million in the fourth quarter last year. The increase in the provision from last year reflects asset growth. The provision for credit losses as a percentage of average loans was 0.23% in 2001 compared with 0.21% last year.

Efficiency Ratio

The efficiency ratio continues to be the strongest among Canadian banks. The ratio improved significantly to 48.6% for the fourth quarter from 53.2% one year ago and from 49.1% in the previous quarter. For the year ended October 31, 2001 the efficiency ratio was 50.0%, an improvement of 4.3% from fiscal 2000.

Meaningful economies of scale were achieved during the year as net interest and other income increased by 19% while non interest expenses grew by only 9%. While additional reductions in the efficiency ratio may be possible, the rate of improvement is likely to slow.

ROE and ROA

Return on common shareholders' equity was 13.19% in the fourth quarter compared with 17.15% for the same quarter last year and was 13.95% for fiscal 2001 compared with 14.98% in fiscal 2000 (including the unusual item the respective annual ROEs were 13.48% and 14.68%). The reduction, year over year, reflects the Bank's increased tax rate as well as the effect of the April 2001 share issue.

Return on assets was 0.97% for the fourth quarter compared with 1.10% for the same quarter last year and was 0.97% for fiscal 2001 compared with 0.95% for fiscal 2000 (including the unusual item the respective annual ROAs were 0.93% and 0.93%).

Capital Funds

The total capital adequacy ratio remains strong. The Tier 1 component increased to 9.3% and the total ratio to 12.5% at October 31, 2001 from 8.1% and 11.6%, respectively, one year ago.

Performance Targets - 2002

Our performance targets for 2002 are to grow net income before taxes by 12%, grow net income by 5% (reflects higher effective tax rate), achieve an ROA of 90 basis points or greater, grow total revenues by 12% (excluding gains on security sales), maintain credit losses at .25% or less, maintain the efficiency ratio at 50% or less and grow total loans by 14%.

Canadian Western Bank has 27 branch locations and is the only Schedule I chartered bank headquartered in and regionally focused on Western Canada. The Bank specializes in commercial loans, energy loans, construction and real estate project financing, and industrial equipment financing. Retail services include a competitive range of mortgages, consumer loans and deposit products. Canadian Western Trust provides trust services to independent financial advisors, corporations and individuals. A varied range of products and services are offered, including self-directed RRSPs and RRIFs, corporate and group trust services, and commercial real estate financing.

The common shares and the convertible debentures of Canadian Western Bank are listed on the Toronto Stock Exchange under the respective trading symbols of "CWB" and "CWB.DB.A". This release is available at <http://www.cwbank.com>.

From time to time we make written and verbal forward-looking statements about the objectives and strategies, operations and financial results of Canadian Western Bank. These may be included in the Annual Report, filings with regulators, reports to shareholders and other communications. These forward-looking statements are inherently subject to risks and uncertainties beyond our control, including, but not limited to, fluctuations in interest rates and currency values, changes in economic and political conditions, legislative or regulatory developments, technological developments and competition. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements and the reader is therefore cautioned not to place undue reliance on these statements.

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FINANCIAL HIGHLIGHTS

(unaudited)

(\$ thousands, except per share amounts)	For the three months ended			% change from	For the year ended		% change from
	October 31 2001	July 31 2001	October 31 2000	October 31 2000	October 31 2001	October 31 2000	October 31 2000
Results of Operations ⁽¹⁾⁽²⁾							
Net income before provision for income taxes	\$ 12,718	\$ 12,119	\$ 9,927	28.1 %	\$ 46,582	\$ 35,435	31.5 %
Net income from operations	8,306	8,484	8,224	1.0	31,395	29,994	4.7
Return on common shareholders' equity	13.19%	13.91%	17.15%	(23.1)	13.95%	14.98%	(6.9)
Return on average total assets	0.97%	1.03%	1.10%	(11.8)	0.97%	0.95%	2.1
Efficiency ratio	48.6%	49.1%	53.2%	(8.6)	50.0%	54.3%	(7.9)
Per Common Share							
Earnings per share ⁽¹⁾							
basic	\$ 0.66	\$ 0.68	\$ 0.74	(10.8) %	\$ 2.62	\$ 2.42	8.3 %
fully diluted	0.61	0.62	0.68	(10.3)	2.40	2.26	6.2
Dividends	0.00	0.18	0.00	0.0	0.36	0.34	5.9
Book value	20.08	19.43	17.35	15.7	20.08	17.35	15.7
Closing market value	26.27	29.40	23.00	14.2	26.27	23.00	14.2
Common shares outstanding (thousands)	12,560	12,549	11,216	12.0	12,560	11,216	12.0
Balance Sheet and Off-Balance Sheet Summary							
Assets ⁽²⁾	\$ 3,439,568	\$ 3,356,967	\$ 3,059,540	12.4 %			
Loans	2,882,636	2,768,507	2,560,092	12.6			
Deposits	3,042,307	2,973,117	2,727,809	11.5			
Debentures	67,126	67,126	67,126	0.0			
Shareholders' equity ⁽²⁾	252,262	243,830	194,595	29.6			
Assets under administration	873,538	855,032	741,181	17.9			
Capital Adequacy							
Tier 1 ratio	9.3%	9.2%	8.1%	14.8 %			
Total ratio	12.5%	12.4%	11.6%	7.8			

(1) Results exclude unusual, non-cash tax expense relating to the writedown of future income tax assets as a result of future tax rate reductions which resulted in additional tax expense of \$1,250 in 2001 (first quarter -- \$1,000; third quarter -- \$250) and \$600 in 2000 (second quarter -- \$600). Results of operations and earnings per share are presented on this basis (i.e. exclusive of unusual, non-cash items) to provide a more meaningful year-over-year comparison. Management views unusual items as transactions that are not part of core business operations which are unusual in nature. Net income and earnings per share on a reported basis (i.e., as reported in our financial statements) is presented on the income statement on page 9.

(2) Balances of the prior fiscal year have been restated to reflect the required implementation of the new accounting policy on Income Taxes.

CONSOLIDATED STATEMENT OF INCOME
(unaudited)

	For the three months ended			% change from October 31 2000	For the year ended		% change from October 31 2000
	October 31 2001	July 31 2001	October 31 2000		October 31 2001	October 31 2000	
(\$ thousands, except per share amounts)							
Interest Income	\$ 57,865	58,466	57,530	0.6	233,893	210,282	11.2
Interest Expense	35,570	36,903	37,389	(4.9)	148,392	136,915	8.4
Net Interest Income	22,295	21,563	20,141	10.7	85,501	73,367	16.5
Provision for credit losses	1,524	1,524	1,350	12.9	6,096	5,100	19.5
Net Interest Income after Provision for Credit Losses	20,771	20,039	18,791	10.5	79,405	68,267	16.3
Other Income							
Credit related	2,546	2,721	2,409	5.7	10,262	9,540	7.6
Retail services	893	874	773	15.5	3,397	2,949	15.2
Trust services	586	501	467	25.5	2,252	1,644	37.0
Other	1,366	1,146	300	355.3	3,847	1,122	242.9
	5,391	5,242	3,949	36.5	19,758	15,255	29.5
Net Interest and Other Income	26,162	25,281	22,740	15.0	99,163	83,522	18.7
Non-Interest Expenses							
Salaries and employee benefits	7,872	7,617	7,227	8.9	30,469	27,207	12.0
Premises and equipment	2,581	2,631	2,384	8.3	10,084	8,824	14.3
Other expenses	2,446	2,482	2,553	(4.2)	10,150	9,810	3.5
Provincial capital taxes	545	432	649	(16.0)	1,878	2,246	(16.4)
	13,444	13,162	12,813	4.9	52,581	48,087	9.3
Net Income before Provision for Income Taxes	12,718	12,119	9,927	28.1	46,582	35,435	31.5
Provision for income taxes	4,412	3,635	1,703	159.1	15,187	5,441	179.1
Net Income from Operations							
- excluding unusual item ⁽¹⁾	8,306	8,484	8,224	1.0	31,395	29,994	4.7
Income tax expense from income tax rate changes	-	250	-	-	1,250	600	108.3
Net Income from Continuing Operations	8,306	8,234	8,224	1.0	30,145	29,394	2.6
Loss from discontinued operations	-	-	-	-	-	3,045	(100.0)
Net Income	\$ 8,306	\$ 8,234	\$ 8,224	1.0 %	\$ 30,145	\$ 26,349	14.4 %
Average number of common shares outstanding	12,554,899	12,496,879	11,186,533	12.2 %	11,978,815	11,133,880	7.6 %
Average number of fully diluted common shares	14,805,531	14,804,583	13,649,587	8.5 %	14,344,435	13,649,587	5.1 %
Basic earnings per common share							
Continuing operations	\$ 0.66	\$ 0.66	\$ 0.74	(10.8)%	\$ 2.51	\$ 2.65	(5.3)%
Loss from discontinued operations	-	-	-	-	-	(0.28)	(100.0)
Net Income	0.66	0.66	0.74	(10.8)	2.51	2.37	5.9
Add back unusual item re: income tax rate changes	-	0.02	-	-	0.11	0.05	120.0
Net Income from Operations	\$ 0.66	\$ 0.68	\$ 0.74	(10.8)%	\$ 2.62	\$ 2.42	8.3 %
Fully diluted earnings per common share							
Continuing operations	\$ 0.61	\$ 0.60	\$ 0.68	(10.3)%	\$ 2.32	\$ 2.44	(4.9)%
Net Income	0.61	0.60	0.68	(10.3)%	2.32	2.21	5.0 %
Net Income from Operations	\$ 0.61	\$ 0.62	\$ 0.68	(10.3)%	\$ 2.40	\$ 2.26	6.2 %

(1) The unusual, non-cash item (i.e. not part of core business operations or unusual in nature) is income tax expense relating to the writedown of future income tax assets as a result of future tax rate reductions. Results are presented on this basis in order to provide a more meaningful year-over-year comparison.

CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

(\$ thousands)	As at October 31, 2001	As at July 31, 2001	As at October 31, 2000 (restated Note 2)	% change from October 31, 2000
Cash Resources	\$ 232,808	\$ 245,242	\$ 214,935	8.3 %
Securities				
Issued or guaranteed by Canada	118,549	96,159	103,227	14.8
Issued or guaranteed by a province	117,034	153,235	97,920	19.5
Other securities	32,837	42,562	30,269	8.5
Loans (net of allowance for credit losses)				
Securities purchased under resale agreements	75,000	62,999	84,932	(11.7)
Residential mortgages	552,585	523,333	503,142	9.8
Other	2,255,051	2,182,175	1,972,018	14.4
Other Assets	55,704	51,262	53,097	4.9
Total Assets	\$ 3,439,568	\$ 3,356,967	\$ 3,059,540	12.4 %
Deposits				
Payable on demand	78,562	71,086	71,572	9.8 %
Payable after notice	370,566	333,697	293,370	26.3
Payable on a fixed date	2,593,179	2,568,334	2,362,867	9.7
Other Liabilities	77,873	72,894	70,010	11.2
Subordinated Debentures	67,126	67,126	67,126	0.0
Shareholders' Equity	252,262	243,830	194,595	29.6
Total Liabilities and Shareholders' Equity	\$ 3,439,568	\$ 3,356,967	\$ 3,059,540	12.4 %

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)

(\$ thousands)	For the year ended	
	October 31, 2001	October 31, 2000
Capital Stock		
Balance at beginning of period	\$ 111,342	\$ 98,484
Common shares issued:		
Proceeds of equity issue	29,425	-
Exercise of employee stock options	3,175	1,293
Conversion of debentures	-	11,565
Balance at end of period	143,942	111,342
Retained Earnings		
Balance at beginning of period, as previously reported	83,853	61,066
Restatement - income taxes ⁽¹⁾	(600)	-
Balance at beginning of period, as restated	83,253	61,066
Net income for the period	30,145	26,349
Dividends	(4,273)	(3,779)
Share issue costs, net of income taxes of \$534 (2000 - \$175)	(805)	(383)
Balance at end of period	108,320	83,253
Total Shareholders' Equity	\$ 252,262	\$ 194,595

(1) Restatement reflects the required implementation of the new accounting policy on Income Taxes.