

For Immediate Release: Thursday, March 7, 2002

CWB conference call (listen only mode):
Friday, March 8 at 11:00am EST (9:00am MST); 416-640-4127
or toll-free 1-888-881-4892; 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,
(available from Friday, March 8, 1:00pm EST to Friday, March 22, 11:59pm EST) are:
416-640-1917 or toll-free 1-877-289-8525; passcode is 164512#

**CANADIAN WESTERN BANK REPORTS SOLID 1ST QUARTER;
LOW LOAN LOSSES CONTINUE**

Edmonton, March 7 -- Canadian Western Bank (CWB:TSE) today announced results for the first quarter of 2002.

First Quarter Results: (three months ended January 31, 2002 compared with three months ended January 31, 2001)

- ◆ Reported net income was \$7.4 million compared with \$6.5 million, an increase of over 13%.
- ◆ Diluted earnings per share were \$0.53 (\$0.59 basic) compared with \$0.52 (\$0.58 basic) and reflect the issuance of 1.1 million common shares in the second quarter of fiscal 2001.
- ◆ Net income from operations¹ was \$7.4 million compared with \$7.5 million and reflects a reduced net interest margin, due to the record low interest rate environment, and an increased effective income tax rate. The related diluted earnings per share were \$0.53 (\$0.59 basic) compared with \$0.59 (\$0.67 basic).
- ◆ Income before taxes on a taxable equivalent basis² (teb) was \$12.4 million compared with \$11.2 million, and the corresponding provision for taxes (teb) was \$5.0 million compared with \$4.7 million.
- ◆ Revenues (net interest income (teb) and other income) were \$27.9 million compared with \$25.6 million, an increase of 9.1%.
- ◆ Provision for credit losses was \$1.9 million compared with \$1.5 million.
- ◆ Efficiency ratio (expenses to revenues) improved 1.6 percentage points to 48.7% from 50.3%.

Larry Pollock, President and Chief Executive Officer, said that the Bank continued its trend of solid earnings performance into the first quarter of fiscal 2002 with reported net income up 13% over the same quarter last year. He also noted that the Bank improved its

¹ Excludes unusual items. There were no unusual items in the current quarter. The unusual item recorded in the first quarter of 2001 was income tax expense of \$1.0 million related to the write-down of future income tax assets due to future tax rate reductions.

² Taxable equivalent basis (teb) - Most banks analyze revenue on a taxable equivalent basis to permit uniform measurement and comparison of net interest income. Net interest income (as presented in the Consolidated Statement of Income) includes tax-exempt income on certain securities. Since this income is not taxable, the rate of interest or dividend received is significantly lower than would apply to a loan or security of the same amount. The taxable equivalent basis includes an adjustment that increases interest income and the provision for income taxes by an amount that adjusts the income on the tax-exempt securities to what income would have been had they been taxed at the statutory rate. In prior periods, tax-exempt security income was insignificant and no taxable equivalent adjustments were required.

efficiency ratio to 48.7% from 50.3% for the same quarter last year and that this important yardstick of banking efficiency remains the strongest among Canadian banks.

Mr. Pollock noted that there were no unusual items this quarter although net income from operations for the first quarter last year was \$7.5 million because \$1.0 million of unusual income tax expense was excluded.

Mr. Pollock also said that the Bank's solid performance in the quarter was particularly gratifying because it was achieved despite record low interest rates, which adversely affected net interest margins, and an increase in the effective income tax rate.

Mr. Pollock added that another of the highlights for the quarter was the continued low loan loss experience. He said that overall loan quality remains strong and loan loss experience for fiscal 2002 is projected to be in line with the 0.25% target. More noteworthy, he added, the Bank's net impaired loans, as a percentage of total loans, were 0.12% this quarter compared with 0.25% at the end of the previous quarter and 0.16% one year ago.

Canadian Western Trust

Canadian Western Trust continued to deliver excellent results in the first quarter. The Trust's fee income for the quarter ended January 31, 2002 increased by 37% or \$223,000 from the same period one year ago. The increase is due to a 23% increase in assets under administration, which reached \$963 million this quarter, and growth of 17% in self-directed RRSP and RRIF accounts in the same period. The Trust continues to add other services, such as registered pension plans and stock purchase plans specifically designed to benefit small to mid sized corporate clients. These recent diversifications are already generating significant growth.

Economic Climate in Western Canada

Current data suggests that the slowdown in the North American economy has not been as deep as expected and that recovery is underway toward modest growth in 2002. The economic climate in Western Canada overall remains satisfactory, particularly in Alberta where the economy remains relatively firm despite some softness in the oil patch.

The British Columbia economy, which, with the exception of the Lower Mainland, was somewhat fragile throughout 2001, has prospects to improve although overall economic growth in 2002 will remain weak. Expectations continue that the prairie provinces will remain stable to improving in 2002.

Asset Growth & Balance Sheet

Total assets grew more than 10% from one year ago to reach \$3,453 million, primarily reflecting organic growth. Loan growth, excluding securities purchased under resale agreements, remained strong in the first quarter and totaled 3% or \$84 million compared with the previous quarter. Total loans increased 12% from one year ago. Loan growth remains on track to reach the double digit level in fiscal 2002.

Branch-generated deposits were \$1,658 million at the end of the quarter, an increase of 16% compared with January 31, 2001. The structure of the Bank's balance sheet is straightforward with an absence of recorded goodwill, intangibles and special purpose entities (SPEs). The maintenance of a clean balance sheet remains an important objective.

Branch Expansion

The new South Edmonton Common Branch opened in November 2001. Located in a power center, this branch serves the retail and commercial requirements of the rapidly growing market area of Southeast Edmonton and the neighboring communities.

Taxation

The estimated effective income tax rate has increased to approximately 38% this quarter (40% teb). This is a significant increase from 33% in fiscal 2001 and from 15% in the year before that. Going forward, the Bank is now fully taxable.

Credit Quality

Credit quality remained strong. Net impaired loans as a percentage of total loans dropped to 0.12% this quarter compared with 0.25% at the end of the previous quarter and 0.16% one year ago. The allowance for credit losses at January 31, 2002 totaled \$29.4 million. Of this amount, \$7.3 million was allocated to specific provisions, compared with \$6.9 million in the previous quarter. The general allowance was \$22.1 million, compared with \$21.5 million at October 31, 2001. Relative to risk-weighted assets, the general allowance was 0.78% compared with 0.79% the previous quarter and 0.84% one year ago. In simple terms the general allowance represents approximately three years of historical loan loss experience.

The provision for credit losses for the first quarter was \$1.94 million, compared with \$1.52 million in each of the four quarters last year. The increase in the provision from last year reflects expected growth in the loan portfolio. The annual provision for credit losses is projected to be approximately 25 basis points of average loans, compared to 23 basis points last year, and matching our target for fiscal 2002.

Efficiency Ratio

The efficiency ratio continued to be the best among Canadian banks. This ratio is non-interest expenses expressed as a percentage of net interest income (teb) and other income. At the end of the quarter, the ratio was 48.7%, consistent with 48.6% in the previous quarter and improved from 50.3% one year ago. The improvement in this ratio is, in part, a reflection of economies of scale realized as a result of strong internal growth generating higher growth in total revenues relative to non-interest expenses.

ROE and ROA

Return on common shareholders equity was 11.5% in the quarter compared with 13.1% in the same quarter last year (15.1% excluding unusual items). The reduction principally reflects the 1.1 million share issue in April, 2001.

Return on assets for the quarter was 0.85% compared with 0.84% (0.97% excluding unusual items) in the same quarter last year.

Net Interest Income

Net interest margin was 2.58% compared with 2.65% last quarter and 2.77% one year earlier. The securities portfolio yield (teb) decreased to 4.34% for the three months ended January 31, 2002 from 5.71% for the same period last year. This decreased the net interest margin an estimated 15 basis points this quarter compared to the first quarter one year ago. The average prime rate has decreased 3.38% from one year ago and 1.42% from the previous quarter. The negative impact of low interest rates on total revenues was largely offset by the realization of \$1.3 million of gains on security sales which are included in other income. Gains in our fixed income securities portfolio arose from the reductions in market interest rates.

Capital Funds

The Bank continues to enjoy strong capitalization. Capital funds, consisting of subordinated debentures and shareholders' equity, reached \$325 million at January 31, 2002, compared with \$319 million last quarter and \$267 million one year ago.

The capital adequacy ratio, the ratio of regulatory capital to risk-weighted assets, remained strong at 12.2% compared with 12.5% in the previous quarter and 11.5% one year ago. The Tier 1 component now stands at 9.1%, compared with 9.3% in the previous quarter and 8.1% one year ago. Tier 1 capital is of the highest quality, comprised entirely of common share capital and retained earnings.

Year to Date Performance Compared to Targets

The performance targets established for the fiscal year are presented in the table below together with the actual performance for the first quarter ended January 31, 2002 on an annualized basis and for the growth targets performance is also shown on a quarter-over-same quarter last year basis.

| | 2002 Target | Performance Q1 annualized | Performance Q1 2002 vs Q1 2001 |
|------------------------------------|---------------------|------------------------------|-----------------------------------|
| Net income before tax (teb) growth | 12% | 6% | 11% |
| Net income growth | 5% | -2% | 13% |
| Total revenue (teb) growth | | | |
| Excluding gains on security sales | | 3% | 5% |
| Including gains on security sales | 12% | 6% | 9% |
| Loan growth | 14% | 9% | 12% |
| Credit losses | 0.25% or less | 0.25% | |
| Efficiency ratio (teb) | 50% or less | 48.7% | |
| Return on assets | 0.90% or greater | 0.85% | |

Outlook

As anticipated, the low interest rate environment affected the first quarter's total revenues compared to the first quarter of 2001. Revenues are expected to show higher growth as the year progresses and will be enhanced if market interest rates, particularly short term rates, begin to rise. Combined with relatively good business conditions in most of CWB's core markets, the Bank anticipates that it will achieve or closely approach its 2002 performance objectives.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Larry M. Pollock
President and Chief Executive Officer
Canadian Western Bank (780) 423-8888

Jon W. Kieran Investor Relations
Hume, Kieran Inc. (416) 868-1079

If you would prefer to receive press releases via email please contact Brenda Orser
(brenda@humekieran.com)

FINANCIAL HIGHLIGHTS

| (unaudited) (\$ thousands, except per share amounts) | For the three months ended | | | % change from |
|--|----------------------------|--------------------|--------------------|--------------------|
| | January 31 2002 | October 31 2001 | January 31 2001 | January 31 2001 |
| Results of operations (teb) - Reported | | | | |
| Net interest income | \$ 21,994 | \$ 22,295 | \$ 21,156 | 4.0 % |
| Total revenues | 27,908 | 27,686 | 25,583 | 9.1 |
| Net income before provision for income taxes | 12,379 | 12,718 | 11,198 | 10.5 |
| Provision for income taxes | 4,983 | 4,412 | 4,676 | 6.6 |
| Net income | 7,396 | 8,306 | 6,522 | 13.4 |
| Return on common shareholders' equity | 11.50% | 13.19% | 13.11% | (12.3) |
| Return on average total assets | 0.85% | 0.97% | 0.84% | 1.2 |
| Earnings per common share | | | | |
| Basic | \$ 0.59 | 0.66 | 0.58 | 1.7 |
| Diluted | 0.53 | 0.60 | 0.52 | 1.9 |
| Efficiency ratio | 48.7% | 48.6% | 50.3% | (3.2) |
| Results of operations (teb) - Excluding unusual items (see explanation below) | | | | |
| Net interest income | \$ 21,994 | \$ 22,295 | \$ 21,156 | 4.0 % |
| Total revenues | 27,908 | 27,686 | 25,583 | 9.1 |
| Net income before provision for income taxes | 12,379 | 12,718 | 11,198 | 10.5 |
| Provision for income taxes | 4,983 | 4,412 | 3,676 | 35.6 |
| Net income from operations | 7,396 | 8,306 | 7,522 | (1.7) |
| Return on common shareholders' equity | 11.50% | 13.19% | 15.06% | (23.6) |
| Return on average total assets | 0.85% | 0.97% | 0.97% | (12.4) |
| Earnings per common share | | | | |
| Basic | \$ 0.59 | \$ 0.66 | \$ 0.67 | (11.9) |
| Diluted | 0.53 | 0.60 | 0.59 | (10.2) |
| Efficiency ratio | 48.7% | 48.6% | 50.3% | (3.2) |
| Per Common Share | | | | |
| Dividends | \$ 0.20 | 0.00 | 0.18 | 11.1 % |
| Book value | 20.44 | 20.08 | 17.70 | 15.5 |
| Closing market value | 29.00 | 26.27 | 27.00 | 7.4 |
| Common shares outstanding (thousands) | 12,615 | 12,560 | 11,315 | 11.5 |
| Balance Sheet and Off-Balance Sheet Summary | | | | |
| Assets | \$ 3,452,641 | \$ 3,439,568 | \$ 3,126,293 | 10.4 % |
| Loans | 2,944,796 | 2,882,636 | 2,623,486 | 12.2 |
| Deposits | 3,059,948 | 3,042,307 | 2,785,299 | 9.9 |
| Debentures | 67,126 | 67,126 | 67,126 | 0.0 |
| Shareholders' equity | 257,809 | 252,262 | 200,262 | 28.7 |
| Assets under administration | 963,000 | 873,538 | 781,565 | 23.2 |
| Capital Adequacy | | | | |
| Tier 1 ratio | 9.1% | 9.3% | 8.1% | 12.3 % |
| Total ratio | 12.2% | 12.5% | 11.5% | 6.1 |

Taxable Equivalent Basis (teb)

Most banks analyze revenue on a taxable equivalent basis to permit uniform measurement and comparison of net interest income. Net interest income (as presented in the Consolidated Statement of Income) includes tax-exempt income on certain securities. Since this income is not taxable, the rate of interest or dividend received is significantly lower than would apply to a loan or security of the same amount. The taxable equivalent basis includes an adjustment that increases interest income and the provision for income taxes by an amount that adjusts the income on the tax-exempt securities to what income would have been had they been taxed at the statutory rate. In prior periods, tax-exempt security income was insignificant and no taxable equivalent adjustments were made.

Unusual Items

Net income from operations excludes unusual items relating to non-cash income tax expense (first quarter of 2002 - \$nil; fourth quarter of 2001 - \$nil; first quarter of 2001 - \$1 million) which relate to the write-down of future income tax assets to reflect reductions in future income tax rates.

Management follows the banking industry practice of performing year-over-year comparisons on net income adjusted to exclude unusual items and on reported net income calculated in accordance with generally accepted accounting principles (GAAP). Readers are cautioned that net income from operations does not have a standardized meaning under GAAP and may not be comparable to similar terms used by other companies.

Earnings per Share

Diluted earnings per share for the prior periods have been restated to reflect the required implementation of the new accounting standard on Earnings per Share (see note 2 on page 11 of this report).

CONSOLIDATED INTERIM STATEMENT OF INCOME

| (unaudited) (\$ thousands, except per share amounts) | For the three months ended | | | % change from January 31 2001 |
|--|----------------------------|--------------------|--------------------|-------------------------------------|
| | January 31 2002 | October 31 2001 | January 31 2001 | |
| Interest Income | | | | |
| Loans | \$ 47,938 | \$ 52,421 | \$ 53,569 | (10.5)% |
| Securities | 3,193 | 3,704 | 3,841 | (16.9) |
| Deposits with regulated financial institutions | 1,014 | 1,740 | 2,331 | (56.5) |
| | 52,145 | 57,865 | 59,741 | (12.7) |
| Interest Expense | | | | |
| Deposits | 29,604 | 34,565 | 37,581 | (21.2) |
| Debentures | 997 | 1,005 | 1,004 | (0.7) |
| | 30,601 | 35,570 | 38,585 | (20.7) |
| Net Interest Income | 21,544 | 22,295 | 21,156 | 1.8 |
| Provision for credit losses | 1,935 | 1,524 | 1,524 | 27.0 |
| Net Interest Income after Provision for Credit Losses | 19,609 | 20,771 | 19,632 | (0.1) |
| Other Income | | | | |
| Credit related | 2,542 | 2,546 | 2,389 | 6.4 |
| Retail services | 940 | 893 | 825 | 13.9 |
| Trust services | 828 | 586 | 605 | 36.9 |
| Other | 1,604 | 1,366 | 608 | 163.8 |
| | 5,914 | 5,391 | 4,427 | 33.6 |
| Net Interest and Other Income | 25,523 | 26,162 | 24,059 | 6.1 |
| Non-Interest Expenses | | | | |
| Salaries and employee benefits | 7,966 | 7,872 | 7,395 | 7.7 |
| Premises and equipment | 2,722 | 2,581 | 2,368 | 14.9 |
| Other expenses | 2,547 | 2,446 | 2,698 | (5.6) |
| Provincial capital taxes | 359 | 545 | 400 | (10.3) |
| | 13,594 | 13,444 | 12,861 | 5.7 |
| Net Income before Provision for Income Taxes | 11,929 | 12,718 | 11,198 | 6.5 |
| Provision for income taxes (Note 3) | 4,533 | 4,412 | 4,676 | (3.1) |
| Net Income | \$ 7,396 | \$ 8,306 | \$ 6,522 | 13.4 % |
| Average number of common shares outstanding | 12,584,053 | 12,554,899 | 11,248,289 | 11.9 % |
| Average number of diluted common shares (Note 2) | 14,779,130 | 14,755,560 | 13,508,388 | 9.4 % |
| Earnings per Common Share | | | | |
| Basic | \$ 0.59 | \$ 0.66 | \$ 0.58 | 1.7 % |
| Diluted | \$ 0.53 | \$ 0.60 | \$ 0.52 | 1.9 % |

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

| (unaudited) (\$ thousands) | As at January 31, 2002 | As at October 31, 2001 | As at January 31, 2001 | % change from January 31, 2001 |
|---|---------------------------|---------------------------|---------------------------|-----------------------------------|
| Cash Resources | | | | |
| Cash | \$ 1,810 | \$ 1,945 | \$ 1,522 | 18.9 % |
| Deposits with regulated financial institutions | 144,446 | 190,978 | 176,498 | (18.2) |
| Cheques and other items in transit, net | 57,687 | 39,885 | 44,455 | 29.8 |
| | 203,943 | 232,808 | 222,475 | (8.3) |
| Securities | | | | |
| Issued or guaranteed by Canada | 83,520 | 118,549 | 108,557 | (23.1) |
| Issued or guaranteed by a province | 95,606 | 117,034 | 92,653 | 3.2 |
| Other securities | 76,479 | 32,837 | 28,445 | 168.9 |
| | 255,605 | 268,420 | 229,655 | 11.3 |
| Loans (net of allowance for credit losses) | | | | |
| Securities purchased under resale agreements | 53,436 | 75,000 | 70,518 | (24.2) |
| Residential mortgages | 553,554 | 552,585 | 505,329 | 9.5 |
| Other | 2,337,806 | 2,255,051 | 2,047,639 | 14.2 |
| | 2,944,796 | 2,882,636 | 2,623,486 | 12.2 |
| Other | | | | |
| Land, buildings and equipment | 15,582 | 16,014 | 14,250 | 9.3 |
| Other assets | 32,715 | 39,690 | 36,427 | (10.2) |
| | 48,297 | 55,704 | 50,677 | (4.7) |
| Total Assets | \$ 3,452,641 | \$ 3,439,568 | \$ 3,126,293 | 10.4 % |
| Deposits | | | | |
| Payable on demand | \$ 87,014 | \$ 78,562 | \$ 64,017 | 35.9 % |
| Payable after notice | 414,623 | 370,566 | 318,096 | 30.3 |
| Payable on a fixed date | 2,558,311 | 2,593,179 | 2,403,186 | 6.5 |
| | 3,059,948 | 3,042,307 | 2,785,299 | 9.9 |
| Other | | | | |
| Other Liabilities | 67,758 | 77,873 | 73,606 | (7.9) |
| Subordinated Debentures | | | | |
| Conventional | 13,126 | 13,126 | 13,126 | 0.0 |
| Convertible | 54,000 | 54,000 | 54,000 | 0.0 |
| | 67,126 | 67,126 | 67,126 | 0.0 |
| Shareholders' Equity | | | | |
| Capital stock | 144,611 | 143,942 | 112,510 | 28.5 |
| Retained earnings | 113,198 | 108,320 | 87,752 | 29.0 |
| | 257,809 | 252,262 | 200,262 | 28.7 |
| Total Liabilities and Shareholders' Equity | \$ 3,452,641 | \$ 3,439,568 | \$ 3,126,293 | 10.4 % |

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| (unaudited) (\$ thousands) | For the three months ended | |
|------------------------------------|----------------------------|-------------------|
| | January 31, 2002 | January 31, 2001 |
| Capital Stock | | |
| Balance at beginning of period | \$ 143,942 | \$ 111,342 |
| Common shares issued: | | |
| Exercise of employee stock options | 669 | 1,168 |
| Balance at end of period | 144,611 | 112,510 |
| Retained Earnings | | |
| Balance at beginning of period | 108,320 | 83,253 |
| Net income for the period | 7,396 | 6,522 |
| Dividends | (2,518) | (2,023) |
| Balance at end of period | 113,198 | 87,752 |
| Total Shareholders' Equity | \$ 257,809 | \$ 200,262 |

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOW

| (unaudited) (\$ thousands) | For the three months ended | |
|--|----------------------------|------------------|
| | January 31, 2002 | January 31, 2001 |
| Cash Flows Provided by (Used in) Operating Activities | | |
| Net income | \$ 7,396 | \$ 6,522 |
| Adjustments to determine net cash flows: | | |
| Provision for credit losses | 1,935 | 1,524 |
| Depreciation and amortization | 785 | 851 |
| Future income taxes, net | (1,100) | 1,930 |
| Gain on sale of securities, net | (1,300) | (350) |
| Changes in accrued interest receivable and payable, net | 3,680 | 3,293 |
| Current income taxes payable, net | (9,091) | 2,341 |
| Other items, net | 3,370 | (2,158) |
| | 5,675 | 13,953 |
| Cash Flows Provided by (Used in) Financing Activities | | |
| Deposits, net | 17,641 | 57,491 |
| Dividends | (2,518) | (2,023) |
| Common shares issued, net of issue costs | 669 | 1,168 |
| | 15,792 | 56,636 |
| Cash Flows (Used in) Provided by Investing Activities | | |
| Loans, net | (64,095) | (64,919) |
| Interest bearing deposits with regulated financial institutions, net | 64,824 | (14,154) |
| Securities, net | 14,115 | 2,112 |
| Land, buildings and equipment, net | (352) | (242) |
| | 14,492 | (77,203) |
| Increase (Decrease) in Cash and Cash Equivalents | 35,959 | (6,614) |
| Cash and Cash Equivalents at Beginning of Period | 43,452 | 48,020 |
| Cash and Cash Equivalents at End of Period * | \$ 79,411 | \$ 41,406 |
| * Represented by: | | |
| Cash resources per Consolidated Balance Sheet | \$ 203,943 | \$ 222,475 |
| Less interest bearing deposits with regulated financial institutions | 124,532 | 181,069 |
| Cash and Cash Equivalents at End of Period | \$ 79,411 | \$ 41,406 |

Supplemental Disclosure of Cash Flow Information

| | | |
|---|-----------|-----------|
| Amount of interest paid in the period | \$ 28,981 | \$ 33,842 |
| Amount of income taxes paid in the period | \$ 13,797 | \$ 1,459 |

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(\$ thousands, except per share amounts)

1. Basis of Presentation

These interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions Canada, using the same accounting policies as the Consolidated Financial Statements for the year ended October 31, 2001, except as explained in Note 2 below. These interim unaudited consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Consolidated Financial Statements included in the Bank's 2001 Annual Report.

2. Change in Accounting Policy – Earnings Per Share

Effective November 1, 2001, the Bank adopted the treasury stock method of calculating diluted earnings per share as required by the Canadian Institute of Chartered Accountants' revised accounting standard. This method assumes that any proceeds from the exercise of in-the-money stock options would be used to purchase the Bank's common shares at the average market price during the period. Prior to November 1, 2001, the imputed earnings method of calculating diluted earnings per share was used which assumed that exercise proceeds were invested to earn a return.

The new method was applied retroactively with restatement of prior periods. Under the previous method, diluted earnings per share were \$0.01 higher in each of the comparative quarters and \$0.05 higher for the year ended October 31, 2001.

3. Income Taxes

There are no unusual, non-cash tax items in the provision for income taxes in the first quarter of 2002. In fiscal 2001, the provision included unusual, non-cash items representing the write-down of future income tax assets to reflect corporate income tax rate reductions enacted for accounting purposes. Write-downs were recorded in the first (\$1,000) and third (\$250) quarters of 2001 representing federal and provincial income tax rate reductions respectively. The Bank's future income tax asset position arises primarily from the general allowance for credit losses which is not allowed as a current deduction for tax purposes.

4. Outstanding Share Data

As at January 31, 2002 the Bank had 12,614,516 common shares outstanding. In addition there were two outstanding debentures with a combined principal amount of \$54,000 that are convertible into a total of 1,799,344 common shares and employee stock options that have been issued which are or will be exercisable into 1,156,422 common shares (1,212,706 authorized) for proceeds of \$21,875. During the first quarter, 140,806 employee stock options were granted with an average exercise price of \$26.73 per share. Of the options granted 103,150 (140,000 authorized) are subject to shareholder and Toronto Stock Exchange approval.

5. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current period's presentation.

SHAREHOLDER INFORMATION

Head Office

Canadian Western Bank & Trust
Suite 2300, Canadian Western Bank Place
10303 Jasper Avenue
Edmonton, AB T5J 3X6
Telephone: (780) 423-8888
Fax: (780) 423-8897
Website: www.cwbank.com

Subsidiary Regional Office

Canadian Western Trust Company
Suite 2230, 666 Burrard Street
Vancouver, BC V6C 2Y8
Telephone: (604) 669-0081
Fax: (604) 685-9997
Website: www.cwt.ca

Stock Exchange Listing

The Toronto Stock Exchange
Share Symbol: CWB
Convertible Debenture Symbol: CWB.DB.A

Transfer Agent and Registrar

Computershare Trust Company of Canada
Suite 970, Canadian Western Bank Place
10303 Jasper Avenue
Edmonton, AB T5J 3N6
Telephone: (780) 448-7598
Fax: (780) 426-4032

Investor Relations

For further financial information
call Jon W. Kieran at Hume, Kieran Inc.
(416) 868-1079, or fax (416) 868-6198,
or visit our website at
www.cwbank.com/investor_info.

Online Investor Presentation

Supplemental financial information for investors
and analysts is available on our website at
www.cwbank.com/investor_info

Webcast

A live audio webcast and conference call takes
place on Friday, March 8, 2002 with Bank
executives, analysts and investors.
The webcast is archived on our website at
www.cwbank.com/investor_info until June 7, 2002.
A replay of the conference call is available until
March 22, 2002 by dialing toll-free 1-877-289-8525
and entering passcode 164512#.