

**CWB reports 2011 quarterly and annual results under IFRS**

**Edmonton, January 24, 2012** – Canadian Western Bank (TSX: CWB) today released its 2011 quarterly and annual financial results as reported under International Financial Reporting Standards (IFRS).

The Canadian Institute of Chartered Accountants has transitioned Canadian generally accepted accounting principles (GAAP) for publicly accountable entities to IFRS. The transition is applicable to interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for the prior year. As a result, Canadian Western Bank's (CWB or the Bank) consolidated financial statements for the 2012 fiscal year will be prepared in accordance with IFRS, including comparative information for 2011. CWB's financial results for the quarter ending January 31, 2012 will be the first quarterly IFRS financial statements and are expected to be released before the market opens on March 8, 2012.

The following information, in addition to the Bank's prior disclosure, is provided to help users of the financial statements better understand the impact on CWB's 2011 consolidated financial statements as a result of the initial adoption of IFRS. This information should be read in conjunction with the Future Changes in Accounting Policies section of the Management's Discussion and Analysis (MD&A) within CWB's 2011 Annual Report, available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Bank's website at [www.cwbankgroup.com](http://www.cwbankgroup.com).

It is important to recognize that the transition to IFRS is an accounting change only and does not reflect a change in the underlying businesses or strategy of CWB.

**Impact on Key Performance Metrics**

A summary of CWB's key performance metrics for fiscal 2011 as reported under Canadian GAAP and restated for IFRS follows:

(\$ thousands)	Canadian GAAP	IFRS (unaudited)
Net income available to common shareholders	\$162,941	\$149,538
Total revenue (teb) <sup>(1)</sup>	\$491,014	\$483,555
Total loans	\$12,221,143	\$12,293,282
Net interest margin (teb) <sup>(2)</sup>	2.82%	2.99%
Provision for credit losses as a percentage of average loans	20 basis points	19 basis points
Efficiency ratio (teb)	45.3%	44.9%
Return on common shareholders' equity	15.6%	14.7%
Return on assets	1.20%	1.09%
Diluted earnings per common share	\$2.12	\$1.95
Diluted cash earnings per common share <sup>(3)</sup>	\$2.18	\$2.17

(1) Refer to page six of this news release for a definition of teb (taxable equivalent basis) and other non-GAAP measures.

(2) The increase in net interest margin reflects a non-IFRS change in recognition of certain credit related fees as described on page four.

(3) Diluted cash earnings per share is diluted earnings per common share excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of the contingent consideration related to the National Leasing acquisition.

As described in the 2011 annual MD&A, the most significant changes relate to:

- The fair value restatement of the contingent consideration related to the Bank's 2010 acquisition of National Leasing Group Inc. (National Leasing). This change, as described in more detail in the Significant Accounting Policy Differences section of this news release, reduces net income and total revenues (teb) and increases the effective income tax rate as the charge is non-tax deductible.
- The recognition of securitized leases as loans on the IFRS balance sheet with a corresponding increase in debt that reflects the funding obligation.
- An increase in net interest margin (teb) primarily reflecting a change in recognition of certain credit related fees.
- A change in the methodology for calculating the efficiency ratio (teb) - previously calculated as non-interest expenses divided by total revenues (teb). The efficiency ratio calculation under IFRS will exclude from total revenues (teb) the change in fair value impact of the contingent consideration related to the acquisition of National Leasing.

## IFRS Earnings Adjustments

A summary of the changes in 2011 net income available to common shareholders as a result of the adoption of IFRS follows:

(\$ thousands, unaudited)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Fiscal 2011
Net income available to common shareholders under Canadian GAAP	\$ 40,150	\$ 40,638	\$ 40,909	\$ 41,244	\$ 162,941
IFRS adjustments:					
Business combinations (National Leasing)	(2,516)	(3,742)	(2,508)	(3,539)	(12,305)
Derecognition of securitized leases	218	45	423	423	1,109
Available-for-sale securities impairment	-	-	-	(2,207)	(2,207)
Net income available to common shareholders under IFRS	\$ 37,852	\$ 36,941	\$ 38,824	\$ 35,921	\$ 149,538

## Significant Accounting Policy Differences

Significant accounting policy differences for the Bank on initial transition to IFRS and any elections made are described below with all differences relating to the Banking and Trust operating segment.

**(1) Business Combinations** – Under IFRS, contingent consideration related to a business combination is accounted for as a financial liability and fair valued at the time of the acquisition. An adjustment of the liability to current fair value is recorded through net income every period thereafter until settlement. Under Canadian GAAP, when the amount of contingent consideration cannot be reasonably estimated or the outcome of the contingency cannot be determined without reasonable doubt, the liability is not recognized until the contingency is resolved and consideration is issued or becomes issuable; at such time, the consideration is recorded as an adjustment of goodwill.

The Bank has applied *IFRS 3 – Business Combinations* retrospectively to the National Leasing acquisition (described in Note 34 to the 2011 annual consolidated financial statements on page 119 of the 2011 Annual Report). Under *IFRS 1: First Time Adoption of IFRS*, the associated contingent consideration was fair valued at the acquisition date of February 1, 2010.

The retrospective restatement increased IFRS goodwill recorded on the consolidated balance sheet at November 1, 2010 by \$8 million. The revaluation of the contingent consideration since acquisition

decreased retained earnings at November 1, 2010 by \$10 million. The net effect of revaluing the obligation in fiscal 2011 resulted in a \$12 million reduction in net income.

The change in fair value of the contingent consideration reflects the Bank's best estimate of when the contingent consideration will be settled, in accordance with the terms of the purchase agreement and estimates of National Leasing's future earnings. Increases in the estimated fair value of the contingent consideration result in a non-tax deductible charge to quarterly earnings based on forecasted earnings growth attributable to National Leasing, changes in management's estimates of the expected settlement of the contingent consideration and a notional interest charge. Future charges to quarterly earnings attributable to the fair value estimate of the contingent consideration are expected to be lower compared to amounts reported in 2011, as 2011 charges included a larger adjustment to forecasted net income than is expected going forward.

**(2) Derecognition of Securitized Financial Assets** – National Leasing's securitized leases are reported as loans on the IFRS balance sheet and resulted in an increase in both loans and debt. The corresponding impact on net income in fiscal 2011 was insignificant. The IFRS transition resulted in the following increase in total loans at the respective balance sheet dates:

(\$ millions, unaudited)	Increase in total loans
November 1, 2010	\$ 196
January 31, 2011	167
April 30, 2011	140
July 31, 2011	114
October 31, 2011	90

The earnings effect of securitization as reported under IFRS resulted in a \$2 million decrease in retained earnings as at November 1, 2010. The change reflects the elimination of cumulative securitization gains and losses realized under Canadian GAAP, less recognition of interest income and expense under IFRS. The net effect on 2011 consolidated net income was an increase of \$1 million.

The future earnings impact from securitization transactions completed prior to October 31, 2011 is expected to be insignificant. Leases securitized in the future will remain on the consolidated balance sheet reported as loans.

**(3) Consolidation** – Under IFRS, a variable interest entity (VIE) is consolidated if it is deemed to be controlled by the reporting entity, as determined under specific criteria. Canadian Western Bank Capital Trust is consolidated under IFRS, which resulted in a \$105 million decrease in deposits and the presentation of the CWB Capital Trust Capital Securities Series 1 (WesTS) as equity attributed to non-controlling interests. Distributions on the WesTS that were effectively reported as deposit interest expense are now presented as an equity dividend within IFRS "net income attributable to non-controlling interests." For more information about this special purpose entity, refer to Note 15 to the consolidated financial statements beginning on page 100 of the 2011 Annual Report.

The net effect on 2011 consolidated "net income" effectively resulted in an increase of \$7 million as the deposit interest expense under Canadian GAAP is treated as an equity dividend payment under IFRS. "Net income attributable to shareholders of the Bank" is reported net of the non-controlling interest and remains unchanged for 2011.

**(4) Impairment of Available-for-Sale Securities** – Under both Canadian GAAP and IFRS, available-for-sale securities are reported on the balance sheet at fair value with changes in fair value generally reported in other comprehensive income. An unrealized loss is recognized in net income when a security is considered impaired; a subsequent recovery in the value of an equity security is not reversed through net income until the security is either sold or redeemed. Under Canadian GAAP, a significant or prolonged decline in the fair value of an investment below its cost is assessed in the context of whether it is considered an "other than temporary impairment" (OTTI). Under IFRS, the concept of OTTI does not exist and either a significant or prolonged decline in fair value is considered objective evidence of impairment. The differences between Canadian GAAP and IFRS will generally result in earlier recognition of impairment losses through net income under IFRS.

The impact of the transition results in no change in shareholders' equity and a \$2 million reduction in 2011 net income. The impact of the IFRS definition of significant or prolonged impairment on the Bank's future earnings is not determinable as it depends on the future interest rate environment, market conditions, investment strategies and the Bank's asset/liability position.

**(5) Other Reclassifications** – Certain other financial statement reclassifications have been made on the transition to IFRS. An example includes the presentation of the non-controlling interest in Adroit Investment Management Ltd. which has been reclassified from other liabilities under Canadian GAAP to non-controlling interests (presented in equity) under IFRS.

In addition to the IFRS transition adjustments previously described, the recognition of certain credit related fees was also amended. Certain credit related fees, previously recognized in other income, are now considered part of the loan yield and amortized to net interest income over the expected life of the loan. Because total loans are reported net of deferred loan fees, this change resulted in a decrease in total loans of \$18 million at both November 1, 2010 and October 31, 2011, and a reduction in retained earnings of \$13 million at November 1, 2010. While the change had no impact on 2011 net income, approximately \$15 million was reclassified from other income to net interest income resulting in a 17 basis point increase in the fiscal 2011 IFRS net interest margin (teb) compared to Canadian GAAP. The impact on the income statement in future periods is expected to be relatively consistent with 2011.

Detailed 2011 financial results reconciled from Canadian GAAP to IFRS are included in the following appendices:

- **Appendix A** – Consolidated balance sheet (condensed) as at November 1, 2010.
- **Appendix B** – Consolidated income statements (condensed) for the three months ended:
  - January 31, 2011,
  - April 30, 2011,
  - July 31, 2011, and
  - October 31, 2011.
- **Appendix C** – Consolidated balance sheet as at October 31, 2011 and consolidated income statement for the year ended October 31, 2011 (condensed).

CWB's October 31, 2011 supplemental financial information package prepared under IFRS is available on the Bank's website at [www.cwbankgroup.com](http://www.cwbankgroup.com). The unaudited financial statements for the quarter ending January 31, 2012 will include a complete summary of all significant IFRS accounting policies.

### **Expected Regulatory Capital Implications**

As at October 31, 2011, the pro forma Basel II Tier 1 and total regulatory capital ratios were estimated to decline 40 basis points under IFRS to 10.7% and 15.0%, respectively. After considering IFRS transition adjustments, these ratios remain well above both regulatory minimums and target capital thresholds determined through the Bank's Internal Capital Adequacy Assessment Process (ICAAP).

Under IFRS, leases securitized and sold by National Leasing are accounted for as secured borrowings. Recognition of securitized assets on the consolidated balance sheet increases the regulatory asset-to-capital multiple. As at October 31, 2011, the pro-forma asset-to-capital multiple, including IFRS transition adjustments, was estimated to increase to 8.1, from 7.9, and remains well within the regulatory limit.

## Fiscal 2012 Minimum Performance Targets

The Bank's minimum performance targets established for fiscal 2012 as presented in the 2011 Annual Report were calculated under Canadian GAAP. With the restatement of 2011 results from Canadian GAAP to IFRS, the 2012 performance targets have been adjusted to reflect the IFRS transition on the underlying financial data. Management's assumptions regarding the business outlook for 2012 remain consistent with the discussion in the 2011 Annual Report.

	2012 Minimum Performance Targets – Canadian GAAP	2012 Minimum Performance Targets – IFRS
Net income available to common shareholders growth <sup>(1)</sup>	6%	10%
Total revenues (teb) growth	6%	7%
Total loan growth	10%	10%
Provision for credit losses as a percentage of average loans	0.20% - 0.25%	0.20% - 0.25%
Efficiency ratio (teb) <sup>(2)</sup>	46%	46%
Return on common shareholders' equity <sup>(3)</sup>	15%	15%
Return on assets <sup>(4)</sup>	1.10%	1.05%

<sup>(1)</sup> Net income attributable to common shareholders of the Bank after preferred share dividends.

<sup>(2)</sup> Efficiency ratio (teb) calculated as non-interest expenses divided by total revenues (teb), excluding the change in fair value impact of the contingent consideration related to the acquisition of National Leasing.

<sup>(3)</sup> Return on common shareholders' equity calculated as net income attributable to common shareholders of the Bank after preferred share dividends divided by average common shareholders' equity.

<sup>(4)</sup> Return on assets calculated as annualized net income attributable to common shareholders of the Bank after preferred share dividends divided by average total assets.

### **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 dividends received is significantly lower than would apply to a loan or security of the same amount. The adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had the tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by GAAP or IFRS and, therefore, may not be comparable to similar measures presented by other banks. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this press release.

### **Non-GAAP Measures**

Taxable equivalent basis, return on common shareholders' equity, return on assets, efficiency ratio, net interest margin, Tier 1 and total capital adequacy ratios, average balances and provision for credit losses as a percentage of average loans do not have standardized meanings prescribed by Canadian GAAP or IFRS and, therefore, may not be comparable to similar measures presented by other financial institutions. The non-GAAP measures used in this press release are calculated as follows:

- taxable equivalent basis – described above;
- return on common shareholders' equity – net income attributable to common shareholders of the Bank after preferred share dividends divided by average common shareholders' equity;
- return on assets – net income attributable to common shareholders of the Bank after preferred share dividends divided by average total assets;
- diluted cash earnings per share – diluted earnings per common share excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of the contingent consideration related to the National Leasing acquisition;
- efficiency ratio – non-interest expenses divided by total revenues (net interest income plus other income excluding the non-tax deductible change in fair value of the contingent consideration related to the National Leasing acquisition);
- net interest margin – net interest income divided by average total assets;
- Tier 1 and total capital adequacy ratios – in accordance with guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI);
- average balances – average daily balances; and
- provision for credit losses as a percentage of average loans – provision for credit losses divided by average loans.

### **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 2012 and how it will affect CWB's businesses are material factors the Bank considers when setting its objectives. In setting minimum performance targets for fiscal 2012, management's assumptions included: modest economic growth in Canada aided by positive relative performance in the four western provinces; relatively stable energy and other commodity prices; sound credit quality with actual losses remaining within the Bank's historical range of acceptable levels; and, a lower net interest margin attributed to expectations for a prolonged period of very low interest rates due to uncertainties about the strength of global economic recovery and potential adverse effects from the European debt crisis.

## **About Canadian Western Bank Group**

Canadian Western Bank offers a full range of business and personal banking services across the four western provinces and is the largest publicly traded Canadian bank headquartered in Western Canada. The Bank, along with its operating affiliates, National Leasing Group Inc., Canadian Western Trust Company, Valiant Trust Company, Canadian Direct Insurance Incorporated, Adroit Investment Management Ltd. and Canadian Western Financial Ltd., collectively offer a diversified range of financial services across Canada and are together known as the Canadian Western Bank Group. The common shares of Canadian Western Bank are listed on the Toronto Stock Exchange under the trading symbol "CWB". The Bank's Series 3 Preferred Shares trade on the Toronto Stock Exchange under the trading symbol "CWB.PR.A". Refer to [www.cwbankgroup.com](http://www.cwbankgroup.com) for additional information.

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## Appendix A

### Reconciliation of Condensed Consolidated Balance Sheet

As at November 1, 2010 (Unaudited)

(\$ thousands)

	Canadian GAAP	IFRS Adjustments				Other	IFRS
		(1) Business Combinations	(2) Derecognition	(3) Consolidation	(4) AFS Impairment		
<b>Assets</b>							
Cash resources, securities and securities under resale agreements	\$ 1,876,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,876,085
Loans	10,496,464	-	196,215	-	-	(17,982)	10,674,697
Other assets	329,142	7,839	(10,567)	-	-	4,532	330,946
<b>Total assets</b>	<b>\$ 12,701,691</b>	<b>\$ 7,839</b>	<b>\$ 185,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,450)</b>	<b>\$ 12,881,728</b>
<b>Liabilities</b>							
Deposits	\$ 10,812,767	\$ -	\$ -	\$ (105,000)	\$ -	\$ -	\$ 10,707,767
Other liabilities	425,881	17,835	(14,047)	-	-	(179)	429,490
Debt	315,000	-	202,006	-	-	-	517,006
<b>Total liabilities</b>	<b>11,553,648</b>	<b>17,835</b>	<b>187,959</b>	<b>(105,000)</b>	<b>-</b>	<b>(179)</b>	<b>11,654,263</b>
Shareholders' equity	1,148,043	(9,996)	(2,311)	-	-	(13,450)	1,122,286
Non-controlling interest	-	-	-	105,000	-	179	105,179
Total equity	1,148,043	(9,996)	(2,311)	105,000	-	(13,271)	1,227,465
<b>Total liabilities and equity</b>	<b>\$ 12,701,691</b>	<b>\$ 7,839</b>	<b>\$ 185,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,450)</b>	<b>\$ 12,881,728</b>

## Appendix B

### Reconciliation of Condensed Consolidated Income Statements

For the three months ended January 31, 2011 (Unaudited)

(\$ thousands)

	Canadian GAAP	IFRS Adjustments				Other	IFRS
		(1)	(2)	(3)	(4)		
		Business Combinations	Derecognition	Consolidation	AFS Impairment		
Net interest income (teb) <sup>(1)</sup>	\$ 93,426	\$ -	\$ 1,804	\$ 1,700	\$ -	\$ 4,287	\$ 101,217
Provision for credit losses	6,216	-	34	-	-	-	6,250
Other income	28,421	(2,516)	(1,472)	-	-	(4,287)	20,146
Non-interest expenses	55,128	-	-	-	-	-	55,128
Income taxes (teb)	16,491	-	80	-	-	-	16,571
Non-controlling interest in subsidiary	60	-	-	-	-	(60)	-
Net income	43,952	(2,516)	218	1,700	-	60	43,414
Net income attributable to non-controlling interests	-	-	-	1,700	-	60	1,760
Net income attributable to shareholders of the Bank	\$ 43,952	\$ (2,516)	\$ 218	\$ -	\$ -	\$ -	\$ 41,654
Preferred share dividends	3,802	-	-	-	-	-	3,802
Net income available to common shareholders	\$ 40,150	\$ (2,516)	\$ 218	\$ -	\$ -	\$ -	\$ 37,852

For the three months ended April 30, 2011 (Unaudited)

(\$ thousands)

	Canadian GAAP	IFRS Adjustments				Other	IFRS
		(1)	(2)	(3)	(4)		
		Business Combinations	Derecognition	Consolidation	AFS Impairment		
Net interest income (teb)	\$ 93,282	\$ -	\$ 1,337	\$ 1,647	\$ -	\$ 2,899	\$ 99,165
Provision for credit losses	5,267	-	11	-	-	-	5,278
Other income	28,506	(3,742)	(1,264)	-	-	(2,899)	20,601
Non-interest expenses	55,408	-	-	-	-	-	55,408
Income taxes (teb)	16,623	-	17	-	-	-	16,640
Non-controlling interest in subsidiary	50	-	-	-	-	(50)	-
Net income	44,440	(3,742)	45	1,647	-	50	42,440
Net income attributable to non-controlling interests	-	-	-	1,647	-	50	1,697
Net income attributable to shareholders of the Bank	\$ 44,440	\$ (3,742)	\$ 45	\$ -	\$ -	\$ -	\$ 40,743
Preferred share dividends	3,802	-	-	-	-	-	3,802
Net income available to common shareholders	\$ 40,638	\$ (3,742)	\$ 45	\$ -	\$ -	\$ -	\$ 36,941

<sup>(1)</sup> Refer to page six of this news release for a definition of teb (taxable equivalent basis)

## Appendix B (Continued)

### Reconciliation of Condensed Consolidated Income Statements

For the three months ended July 31, 2011 (*Unaudited*)

(\$ thousands)

	Canadian GAAP	IFRS Adjustments					IFRS
		(1)	(2)	(3)	(4)		
		Business Combinations	Derecognition	Consolidation	AFS Impairment	Other	
Net interest income (teb) <sup>(1)</sup>	\$ 98,133	\$ -	\$ 1,361	\$ 1,700	\$ -	\$ 3,692	\$ 104,886
Provision for credit losses	5,175	-	(103)	-	-	-	5,072
Other income	24,952	(2,508)	(885)	-	-	(3,692)	17,867
Non-interest expenses	55,805	-	-	-	-	-	55,805
Income taxes (teb)	17,327	-	156	-	-	-	17,483
Non-controlling interest in subsidiary	67	-	-	-	-	(67)	-
Net income	44,711	(2,508)	423	1,700	-	67	44,393
Net income attributable to non-controlling interests	-	-	-	1,700	-	67	1,767
Net income attributable to shareholders of the Bank	\$ 44,711	\$ (2,508)	\$ 423	\$ -	\$ -	\$ -	\$ 42,626
Preferred share dividends	3,802	-	-	-	-	-	3,802
Net income available to common shareholders	\$ 40,909	\$ (2,508)	\$ 423	\$ -	\$ -	\$ -	\$ 38,824

For the three months ended October 31, 2011 (*Unaudited*)

(\$ thousands)

	Canadian GAAP	IFRS Adjustments					IFRS
		(1)	(2)	(3)	(4)		
		Business Combinations	Derecognition	Consolidation	AFS Impairment	Other	
Net interest income (teb)	\$ 99,842	\$ -	\$ 1,006	\$ 1,700	\$ -	\$ 3,636	\$ 106,184
Provision for credit losses	5,521	-	(338)	-	-	-	5,183
Other income	24,452	(3,539)	(765)	-	(3,023)	(3,636)	13,489
Non-interest expenses	56,110	-	-	-	-	-	56,110
Income taxes (teb)	17,566	-	156	-	(816)	-	16,906
Non-controlling interest in subsidiary	51	-	-	-	-	(51)	-
Net income	45,046	(3,539)	423	1,700	(2,207)	51	41,474
Net income attributable to non-controlling interests	-	-	-	1,700	-	51	1,751
Net income attributable to shareholders of the Bank	\$ 45,046	\$ (3,539)	\$ 423	\$ -	\$ (2,207)	\$ -	\$ 39,723
Preferred share dividends	3,802	-	-	-	-	-	3,802
Net income available to common shareholders	\$ 41,244	\$ (3,539)	\$ 423	\$ -	\$ (2,207)	\$ -	\$ 35,921

<sup>(1)</sup> Refer to page six of this news release for a definition of teb (taxable equivalent basis)

## Appendix C

### Reconciliation of Condensed Consolidated Balance Sheet

As at October 31, 2011 (Unaudited)

(\$ thousands)

	IFRS Adjustments							IFRS
	Canadian GAAP	(1)	(2)	(3)	(4)	Other		
		Business Combinations	Derecognition	Consolidation	AFS Impairment			
<b>Assets</b>								
Cash resources, securities and securities under resale agreements	\$ 2,238,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,238,039
Loans	12,221,143	-	90,121	-	-	(17,982)	-	12,293,282
Other assets	312,853	7,839	(7,404)	-	-	4,532	-	317,820
<b>Total assets</b>	<b>\$ 14,772,035</b>	<b>\$ 7,839</b>	<b>\$ 82,717</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,450)</b>	<b>\$ -</b>	<b>\$ 14,849,141</b>
<b>Liabilities</b>								
Deposits	\$ 12,499,689	\$ -	\$ -	\$ (105,000)	\$ -	\$ -	\$ -	\$ 12,394,689
Other liabilities	433,780	30,140	(5,958)	-	-	(225)	-	457,737
Debt	545,000	-	89,877	-	-	-	-	634,877
<b>Total liabilities</b>	<b>13,478,469</b>	<b>30,140</b>	<b>83,919</b>	<b>(105,000)</b>	<b>-</b>	<b>(225)</b>	<b>-</b>	<b>13,487,303</b>
Shareholders' equity	1,293,566	(22,301)	(1,202)	-	-	(13,450)	-	1,256,613
Non-controlling interests	-	-	-	105,000	-	225	-	105,225
Total equity	1,293,566	(22,301)	(1,202)	105,000	-	(13,225)	-	1,361,838
<b>Total liabilities and equity</b>	<b>\$ 14,772,035</b>	<b>\$ 7,839</b>	<b>\$ 82,717</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,450)</b>	<b>\$ -</b>	<b>\$ 14,849,141</b>

### Reconciliation of Condensed Consolidated Income Statement

For the year ended October 31, 2011 (Unaudited)

(\$ thousands)

	IFRS Adjustments							IFRS
	Canadian GAAP	(1)	(2)	(3)	(4)	Other		
		Business Combinations	Derecognition	Consolidation	AFS Impairment			
Net interest income (teb) <sup>(1)</sup>	\$ 384,683	\$ -	\$ 5,508	\$ 6,747	\$ -	\$ 14,514	\$ -	\$ 411,452
Provision for credit losses	22,179	-	(396)	-	-	-	-	21,783
Other income	106,331	(12,305)	(4,386)	-	(3,023)	(14,514)	-	72,103
Non-interest expenses	222,451	-	-	-	-	-	-	222,451
Income taxes (teb)	68,007	-	409	-	(816)	-	-	67,600
Non-controlling interest in subsidiary	228	-	-	-	-	(228)	-	-
Net income	178,149	(12,305)	1,109	6,747	(2,207)	228	-	171,721
Net income attributable to non-controlling interests	-	-	-	6,747	-	228	-	6,975
Net income attributable to shareholders of the Bank	\$ 178,149	\$ (12,305)	\$ 1,109	\$ -	\$ (2,207)	\$ -	\$ -	\$ 164,746
Preferred share dividends	15,208	-	-	-	-	-	-	15,208
Net income available to common shareholders	\$ 162,941	\$ (12,305)	\$ 1,109	\$ -	\$ (2,207)	\$ -	\$ -	\$ 149,538

<sup>(1)</sup> Refer to page six of this news release for a definition of teb (taxable equivalent basis)