



2015 Third Quarter Financial Results Conference Call

September 3rd, 2015





Presenters' Agenda

Strategy & Outlook

Chris Fowler, President & CEO

- Balance sheet growth
- Credit quality
- Strategic direction



Financial Highlights

Carolyn Graham, Executive Vice President & CFO

- Third quarter and year-to-date financial performance





Solid financial performance from core operations

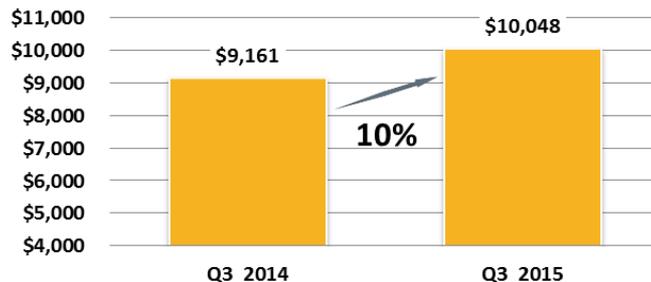
- Ongoing strong loan growth and sound credit quality
- Very strong growth in preferred types of branch raised demand and notice deposits
- Increasing contributions from complementary lines of business

Loans by Lending Sector

(\$ millions – excluding the allowance for credit losses)	Q3 15	Q3 14	Change \$	Change %
General commercial loans	\$ 3,772	\$ 3,538	234	7
Commercial mortgages	3,775	3,548	227	6
Equipment financing and leasing	3,695	3,281	414	13
Real estate project loans	3,173	2,768	405	15
Personal loans & mortgages	3,164	2,768	396	14
Corporate lending	1,264	1,069	195	18
Oil & gas production loans	310	263	47	18
Total loans outstanding	\$ 19,153	\$ 17,235	\$ 1,918	11%

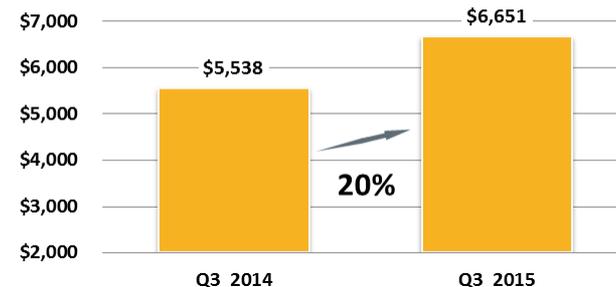
Total Branch-raised Deposits

(\$ millions)



Total Demand and Notice Deposits

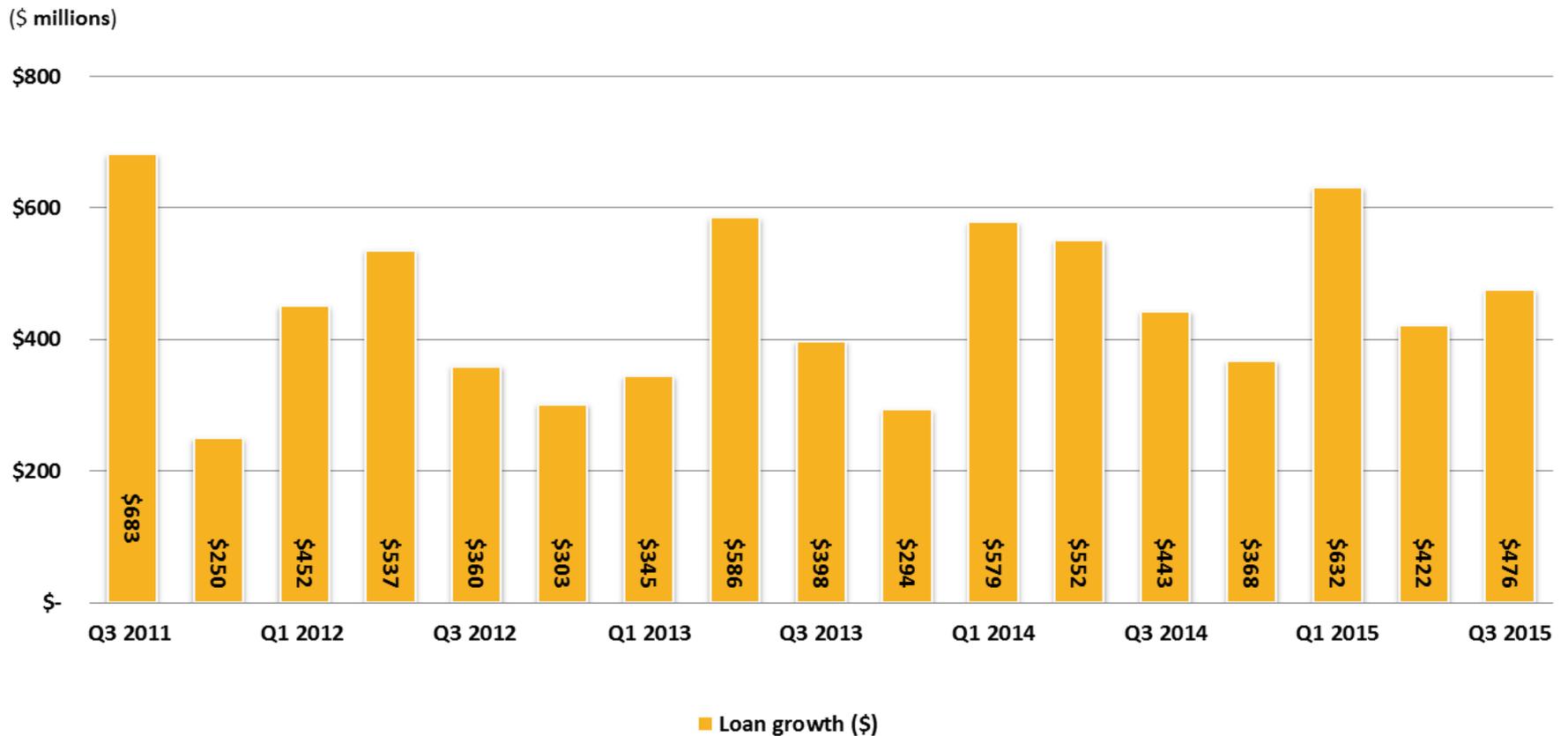
(\$ millions)





Quarterly Loan Growth

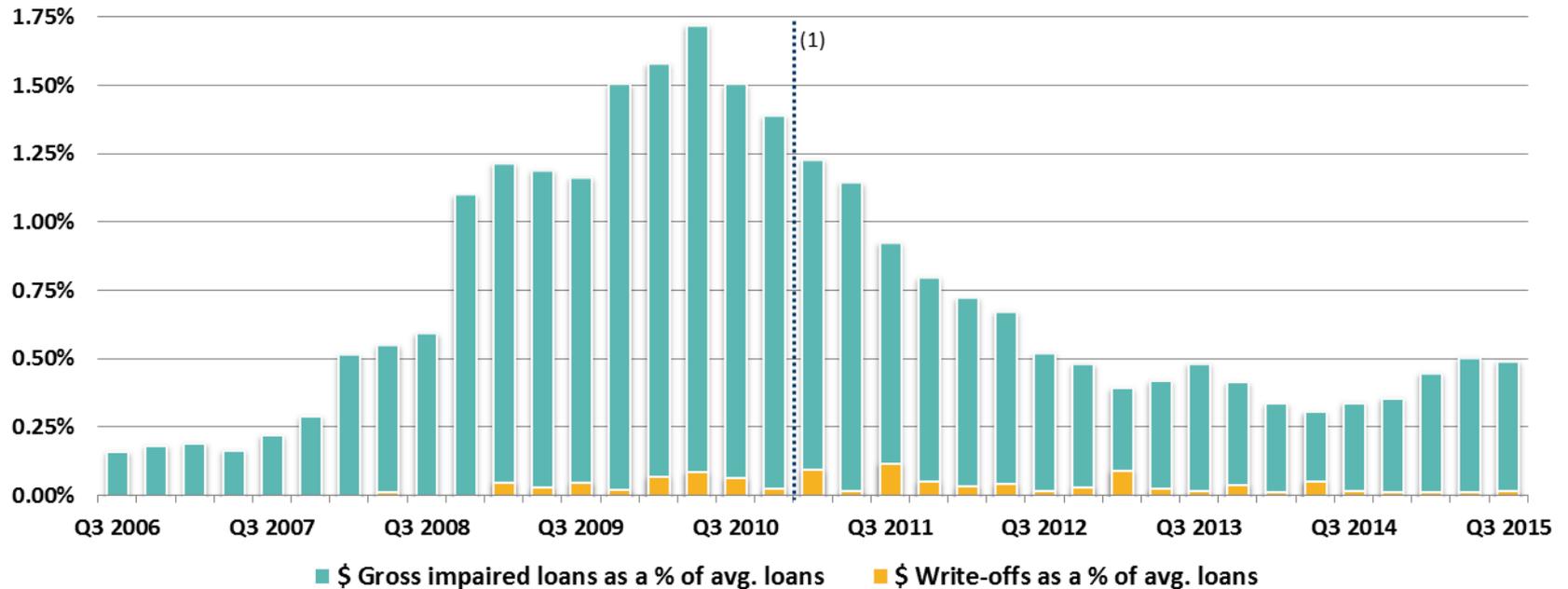
(including allowance for credit losses)





Financial Performance | Credit

Gross Impaired Loans & Write-offs (as a percentage of average loans)



- Expect ongoing solid credit quality with losses remaining within CWB’s historical range of acceptable levels and the 2015 performance target range
- Low write-offs relative to the level of gross impaired loans reflect secured lending practices and disciplined underwriting

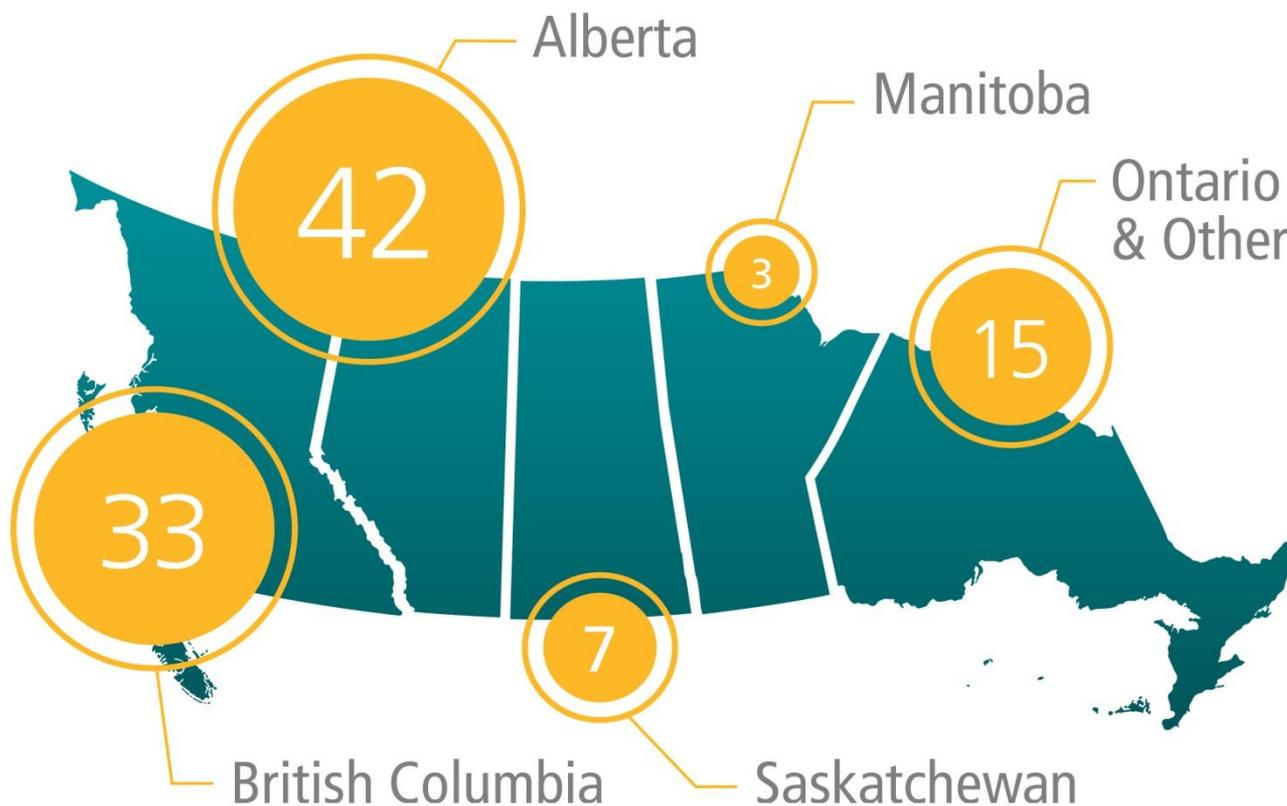


Stress Testing

- CWB performs regular stress tests to assess the potential impacts of various scenarios
- The following stress tests were performed during the third quarter:
 - 150% of CWB's historical peak credit losses realized simultaneously across all segments of the loan portfolio in Alberta and Saskatchewan
 - 100% of CWB's historical peak credit losses realized simultaneously across all segments of the loan portfolio in all other regions
 - Related assumptions included:
 - Changes in interest rates (lower loan yields; higher deposit costs due to competitive factors)
 - Lower loan growth
 - Higher Standardized risk-weighted assets
- Results support the expectation that CWB would continue to deliver profits and maintain financial stability even under very severe economic conditions



Strategy and Outlook | Locations and Loans by Province ⁽¹⁾



(1) Based on location of security in % terms

Banking Branches

Western Canada (41)

Equipment Leasing Centre

Winnipeg (Headquarters)
Satellite offices across Canada

Trust Services Offices

Vancouver
Toronto

Wealth Management Offices

Edmonton
Calgary



Quarterly Results for Continuing Operations (compared to Q3 14)

- Common shareholders' net income, inclusive of \$5 million of net losses on securities, of \$51.2 million, and adjusted cash earnings per common share of \$0.65, both down 3%
- Total revenues, on a taxable equivalent basis (teb), of \$153.8 million, up 3%
 - Net interest income (teb) of \$139.2 million, up 8%
 - Strong 11% loan growth; relatively stable net interest margin
 - Non-interest income of \$13.3 million, down 33%
 - \$8.9 million decrease in net gains/losses on securities
- **Excluding net realized gains/losses on securities in both periods, common shareholders' net income and adjusted cash earnings per common share both increased 10%**

Quarterly Results for Continuing Operations (compared to Q2 15)

- Common shareholders' and adjusted cash earnings per common share relatively consistent with the prior quarter
- Total revenues (teb) up 2%
 - Net interest income (teb) up 6%
 - Loan growth of 3%; three additional interest earning days; stable net interest margin
 - Non-interest income down 27%
 - Lower net gains/losses on securities
- **Excluding net realized gains/losses on securities in both periods, common shareholders' net income and adjusted cash earnings per common share increased 7% and 6%, respectively**



Year-to-date Results for Continuing Operations (compared to YTD 14)

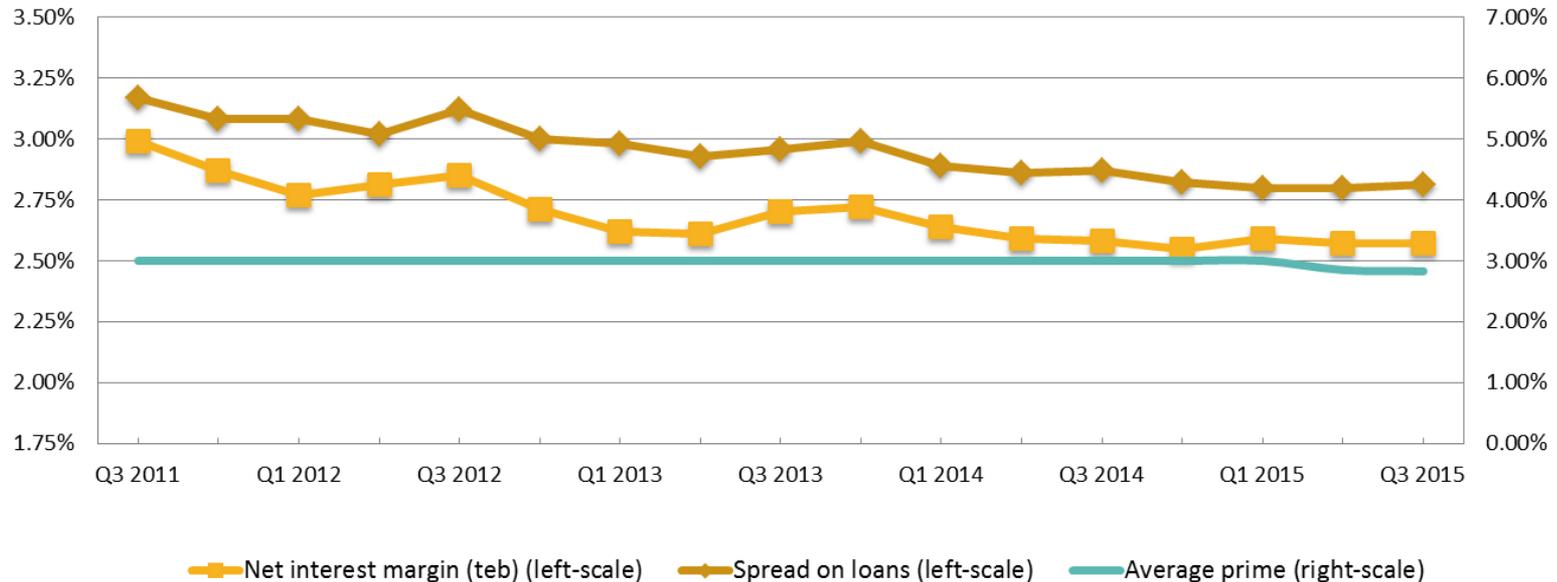
- Common shareholders' net income and adjusted cash earnings per common share both up 4%
- Total revenues (teb) up 5%
 - Net interest income (teb) up 9%
 - Loan growth of 9%; relatively stable net interest margin
 - Non-interest income down 18%
 - Significant decrease in net gains on securities
- **Excluding net realized gains/losses on securities in both periods, common shareholders' net income and adjusted cash earnings per common share increased 14% and 13%, respectively**

Regulatory Capital Ratios (Standardized approach for calculating risk-weighted assets)	Q3 15	Regulatory Minimum
Common equity Tier 1 capital (CET1)	8.5%	7.0 %
Tier 1 capital	9.8%	8.5 %
Total capital	12.8%	10.5 %
Basel III Leverage Ratio	8.0%	3.0%



Financial Performance | Margin

Net Interest Margin (teb) and Spread on Loans



- Net interest margin (teb) relatively stable compared to Q3 14
 - Lower loan yields due to competitive factors and the Bank of Canada rate cuts, offset by more favourable deposit costs and favourable changes in deposit mix
- Net interest margin (teb) unchanged from the prior quarter
 - Lower loan yields partially offset by more favourable deposit costs
- Net interest margin (teb) down two basis points on a year-to-date basis
 - Reflects factors similar to those described above in the comparison to Q3 14



2015 Combined Operations

	2015 Target Ranges for Performance from Combined Operations	2015 Year-to-Date Performance from Combined Operations
Adjusted cash earnings per common share growth ⁽¹⁾⁽²⁾	5 – 8%	65%
Loan growth ⁽³⁾	10 – 12%	11%
Provision for credit losses as a percentage of average loans ⁽⁴⁾	0.17 – 0.22%	0.16%
Efficiency ratio (teb) ⁽⁵⁾	< 47%	39.3%
Return on common shareholders' equity ⁽⁶⁾	14.0 – 15.0%	21.6%
Return on assets ⁽⁷⁾	1.07 – 1.12%	1.67%

(1) Year-to-date performance for adjusted cash earnings per common share and total revenue growth (teb) is the current year results over the same period last year. (2) Adjusted cash earnings per common share is calculated as 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 contingent consideration (which represent non-cash charges that are not considered to be indicative of ongoing business performance). (3) Loan growth is the increase over the past twelve months. (4) Year-to-date provision for credit losses, annualized, divided by average total loans. (5) Efficiency ratio (teb) is calculated as non-interest expenses divided by total revenues (teb) excluding the non-tax deductible change in fair value of contingent consideration. (6) Return on common shareholders' equity is calculated as annualized net income available to common shareholders divided by average common shareholders' equity. (7) Return on assets is calculated as annualized net income available to common shareholders divided by average total assets.

- As a result of divestiture gains, growth in adjusted cash earnings per common share and performance compared to the target ranges for efficiency and key profitability ratios surpassed expectations at the start of the year.
- Recognizing the financial impacts of these gains and absence of earnings contributions from the divested businesses through the second half of fiscal 2015, management has determined that, with the exception of targets related to loan growth and credit quality, the performance target ranges established for the 2015 fiscal year are not meaningful for Continuing Operations.



Advisory

Forward-looking Statements

From time to time, CWB 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 CWB's objectives and strategies, targeted and expected financial results and the outlook for CWB's businesses or for the Canadian or U.S. 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 CWB'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 CWB's markets, changes in accounting standards and policies, the accuracy of and completeness of information CWB 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 CWB'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 CWB's actual results to differ materially from the expectations expressed in such forward looking statements. Unless required by securities law, CWB 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 2015 and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2015, established in December 2014, considered expectations for performance from Combined Operations, without any divestitures, and the following management assumptions:

Moderate economic growth in Canada and relatively stronger performance in the four western provinces; A relatively stable net interest margin (teb) compared to the level achieved in the fourth quarter of 2014, primarily attributed to treasury management strategies and shifts in asset mix that help to offset impacts from the very low interest rate environment, a flat interest rate curve and competitive factors; and, Sound credit quality with actual losses remaining within CWB's historical range of acceptable levels.

A number of potential risks that could have a material adverse impact on economic expectations and forecasts were also identified, including a sustained period of materially lower energy and other commodity prices compared to average levels observed in fiscal 2014, a slowing rate of economic growth in the U.S., a significant and sustained deterioration in Canadian residential real estate prices, or a significant disruption in major global economies. Greater than expected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact loan yields and/or funding costs were also identified as risks which may contribute to adverse financial results compared to expectations.

Energy prices in the third quarter remained well below average levels observed last year. As a result, expectations for stronger relative economic performance in Alberta and Saskatchewan have been adjusted downward. Moderate economic growth in Canada is still anticipated overall, although performance through the first half of the calendar year was weaker than expected. The outlook for economic growth in British Columbia, Manitoba and Ontario reflects the potential for stimulation from lower energy costs and a lower Canadian dollar, but this potential impact has been slow to materialize. The persistent very low interest rate environment, reinforced by the Bank of Canada's January and July 2015 interest rate cuts and competitive factors, has a negative impact on loan yields and is expected to continue to constrain improvement in net interest margin compared to expectations at the start of the year.