



Fourth Quarter & Annual Results Conference Call December 4, 2012

www.cwbankgroup.com



Agenda

Financial Highlights

Tracey Ball, Executive VP & CFO

- **Review of Fourth Quarter & Annual Results**
- **Regulatory Capital**
- **Fiscal 2012 Performance Targets**



Outlook & Strategies

Larry Pollock, CEO

- **Fiscal 2013 Performance Targets**
- **Credit Quality**
- **Strategic Priorities and Outlook**



Questions and Answers

Performance Highlights

Solid Quarterly performance (marked 98 consecutive profitable quarters – more than 24 years)

Opened a second full-service branch in Winnipeg, MB

Recognized for a seventh consecutive year as one of the *50 Best Employers in Canada*

Declared a quarterly dividend of \$0.17 per CWB common share, an increase of 6% over last quarter and 13% over the dividend declared a year earlier

Record results for fiscal 2012 led by very strong 14% loan growth

Financial results – (Q4 12 compared to Q4 11)

- Net income available to common shareholders of \$43.0 million, up 20% (\$7.1 million)
 - Diluted earnings per common share of \$0.55, up 17%
 - Adjusted cash earning per common share of \$0.56, up 6%
- Total revenues (teb) of \$133.2 million, up 11% (\$13.5 million)
 - Increased net gains on securities offset a \$4 million decline in net insurance revenues affected by severe weather activity in Alberta
 - Net interest margin (teb) of 2.71% declined 16 basis points mainly reflecting lower yields on both loans and securities

Net interest margin (teb) declined 14 basis points from Q3 12 reflecting unusually high interest recoveries on impaired loans in that period (approximately eight basis points of margin)

- Expect the current very low interest rate environment, a flat yield curve and ongoing competitive influences will continue to pressure net interest margin in 2013

Performance Highlights (continued)

Financial results – (FY 12 compared to FY 11)

- Net income available to common shareholders of \$172.2 million, up 15% (\$22.7 million)
- Diluted earnings per common share of \$2.22, up 14%
- Adjusted cash earnings per common share, which excludes the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value or contingent consideration of \$2.30, up 6%
- Record total revenues (teb) of \$525.5 million, up 9% (\$41.9 million)
 - Positive revenue impact of very strong loan growth offset by a 20 basis point reduction in net interest margin (teb)
 - Other income of \$81.9 million, up 14% (\$9.8 million)

Outstanding Loans by Portfolio

(\$ millions)

	2012	2011	Change from 2011	
			\$	%
General commercial loans	\$ 3,179	\$ 2,598	\$ 581	22 %
Commercial mortgages	2,788	2,691	97	4
Equipment financing and leasing	2,498	2,097	401	19
Personal loans and mortgages	2,292	2,020	272	13
Real estate project loans	2,024	1,888	136	7
Corporate loans	912	709	203	29
Oil & gas production loans	342	362	(20)	(6)
Total Outstanding Loans	\$ 14,035	\$ 12,365	\$ 1,670	14 %

Regulatory Capital

	Q4 12 (Basel II) Actual	Regulatory Minimum	Q4 12 (Basel III) Pro Forma	Regulatory Minimum
Tangible common equity / CET1	8.8 %	—	8.1 %	7.0 %
Tier 1 capital	10.6	7.0 %	9.9	8.5
Total capital	13.8	10.0	13.1	10.5

Well positioned for the transition to the Basel III capital rules effective January 1, 2013

2012 Minimum Performance Targets

	2012 Minimum Targets	2012 Performance
Net income available to common shareholders growth⁽¹⁾	10%	15%
Total revenue (teb) growth⁽¹⁾	7%	9%
Loan growth⁽²⁾	10%	14%
Provision for credit losses as a percentage of average loans⁽³⁾	0.20% – 0.25%	0.19%
Efficiency ratio (teb)⁽⁴⁾	46%	44.8%
Return on common shareholders' equity⁽⁵⁾	15%	15.0%
Return on assets⁽⁶⁾	1.05%	1.08%

(1) Performance for earnings and revenue growth is the current year results over the prior year. (2) Loan growth is the increase over the past twelve months. (3) Provision for credit losses divided by average total loans. (4) Efficiency ratio (teb) calculated as non-interest expenses divided by total revenues (teb), excluding the non-tax deductible change in fair value of contingent consideration. (5) Return on common shareholders' equity calculated as net income available to common shareholders divided by average common shareholders' equity. (6) Return on assets calculated as net income available to common shareholders divided by average total assets.

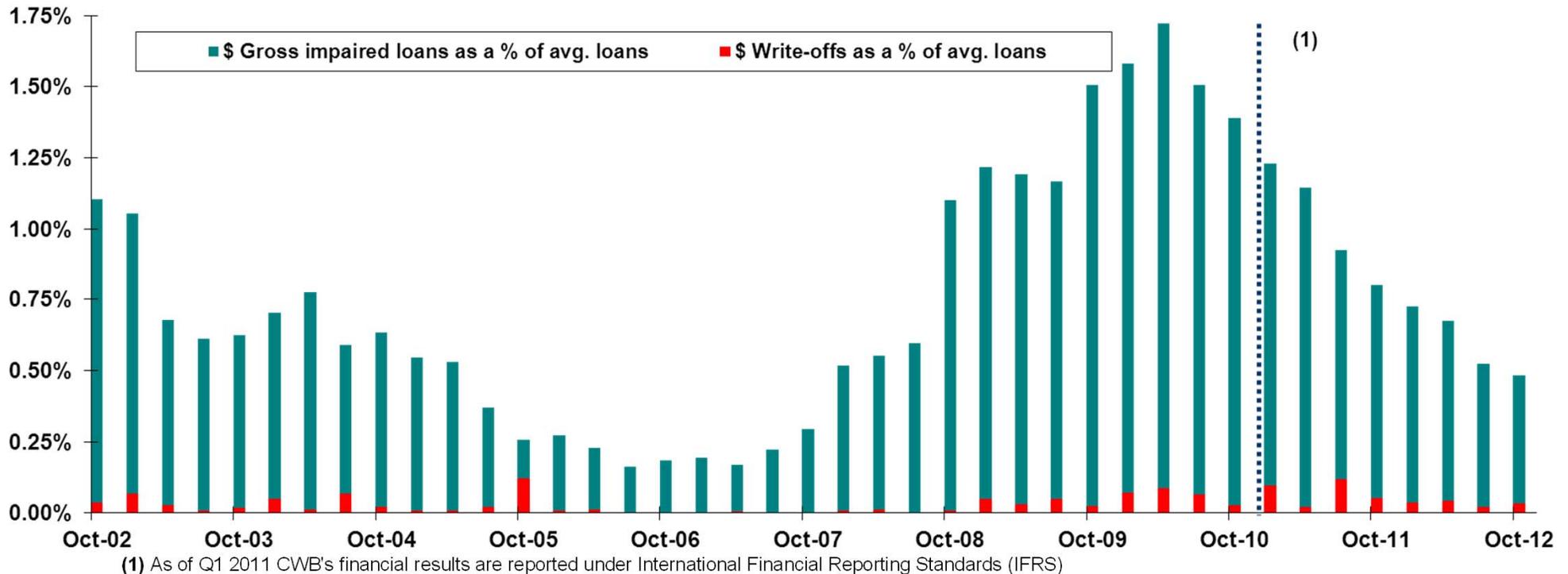
2013 Minimum Performance Targets

	2013 Minimum Targets
Net income available to common shareholders growth	8%
Total revenue (teb) growth	8%
Loan growth	10%
Provision for credit losses as a percentage of average loans⁽¹⁾	0.18% – 0.23%
Efficiency ratio (teb)⁽²⁾	46%
Return on common shareholders' equity⁽³⁾	14%
Return on assets⁽⁴⁾	1.05%

(1) Provision for credit losses divided by average total loans. (2) Efficiency ratio (teb) calculated as non-interest expenses divided by total revenues (teb). (3) Return on common shareholders' equity calculated as annualized net income available to common shareholders divided by average common shareholders' equity. (4) Return on assets calculated as annualized net income available to common shareholders divided by average total assets.

Credit Performance (IFRS)

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



Outlook for a continuation of sound credit quality

- Secured loans and disciplined underwriting

Gross impaired loans likely to increase from the current very low level

- Write-offs expected to remain within the Bank's range of acceptable levels

2013 Strategic Priorities and Outlook

Do what we do,
only better.

Make the whole
worth more
than the sum of the parts.

Refine proven business models to achieve continued strong growth over the long term

- Enhance business banking franchise in Western Canada
- Further diversify income sources
- Evaluate opportunities to expand footprint in Ontario (equipment financing, alternative mortgages, trust services)
- Supplement organic growth with strategic acquisitions
- Build on existing competitive advantages
- Strategic investment in people, infrastructure and technology to support growth and improve client services
- Maintain an industry-leading efficiency ratio by growing revenues and closely managing costs

Maintain solid capital position

Grow dividends for common shareholders while maintaining flexibility to support continued strong growth

Very positive long-term outlook for key areas of banking, trust, insurance and wealth management

Well positioned to continue CWB Group's long history of success

- Strong organizational leadership

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 2013 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 2013, management's assumptions included: modest economic growth in Canada and relatively stronger performance in the four western provinces; relatively stable prices for energy and other commodities compared to the levels observed at October 31, 2012; 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 the continuation of a very low interest rate environment, a flat interest rate curve, competitive factors and ongoing uncertainties about global economic conditions. Potential risks that would have a material adverse impact on the Bank's current economic expectations and forecasts include a global economic recession spurred by unfavourable developments in the euro zone, the strength of economic recovery in the United States, a meaningful slowdown in China's economic growth, or a significant and sustained deterioration in Canadian residential real estate prices.

CGAAP – Canadian Generally Accepted Accounting Principles

IFRS – International Financial Reporting Standards

CWB Group – Corporate Structure



Larry Pollock
President & CEO
(22+ years with
CWB Group)



Chris Fowler, President & COO (22+ years with CWB Group)

- Operating Divisions – Banking
- Credit Risk Management
- Optimum Mortgage



Tracey Ball, Executive VP & CFO (25+ years with CWB Group)

- Finance and Tax
- Investor Relations
- Legal & Regulatory Compliance
- Internal Audit
- Group Risk Management



Bill Addington, Executive VP (26+ years with CWB Group)

- Mergers and Acquisitions
- Corporate Initiatives
- Corporate Lending



Randy Garvey, Executive VP (7+ years with CWB Group)

- Treasury
- Information Services
- Operations
- Human Resources
- Marketing & Product Development
- Wealth Management
- Trust Services



Brian Young, Executive VP and President & CEO, Canadian Direct Insurance

- Canadian Direct Insurance Incorporated



Nick Logan, President & CEO, National Leasing

- National Leasing Group Inc.