



CANADIAN
WESTERN BANK
GROUP

BANK • TRUST • INSURANCE • WEALTH MANAGEMENT

2013 First Quarter Results Conference Call

March 7, 2013





Agenda

Financial Highlights

Tracey Ball, Executive Vice President & CFO

- **First Quarter Financial Highlights**
- **Fiscal 2013 Performance Targets**



Outlook & Strategies

Chris Fowler, President & COO

- **Loan Growth**
- **Credit Quality**
- **Strategic Direction and Outlook**



Questions and Answers



Performance Highlights

- Solid Quarterly performance (marked 99 consecutive profitable quarters – almost 25 years)
- Total assets surpassed \$17 billion on loan growth of 2% in the quarter and 12% over the past twelve months
- Regulatory capital reported under the Basel III capital framework based on the standardized approach for calculating risk weighted assets:
 - Common equity Tier 1 ratio of 8.0%
 - Tier 1 capital ratio of 9.7%
 - Total capital ratio of 14.2%

Outstanding Loans by Portfolio

(\$ millions)	Q1 13	Q1 12	YOY Change	
			\$	%
General commercial	\$ 3,221	\$ 2,786	\$ 435	16%
Commercial mortgages	2,852	2,702	\$ 150	6%
Equipment financing and leasing	2,594	2,152	\$ 442	21%
Personal loans & mortgages	2,316	2,095	\$ 221	11%
Real estate project loans	2,181	1,962	\$ 219	11%
Corporate loans ⁽¹⁾	928	761	\$ 167	22%
Oil & gas production loans	283	361	\$ (78)	-22%
Total loans outstanding	\$ 14,375	\$ 12,819	\$ 1,556	12%

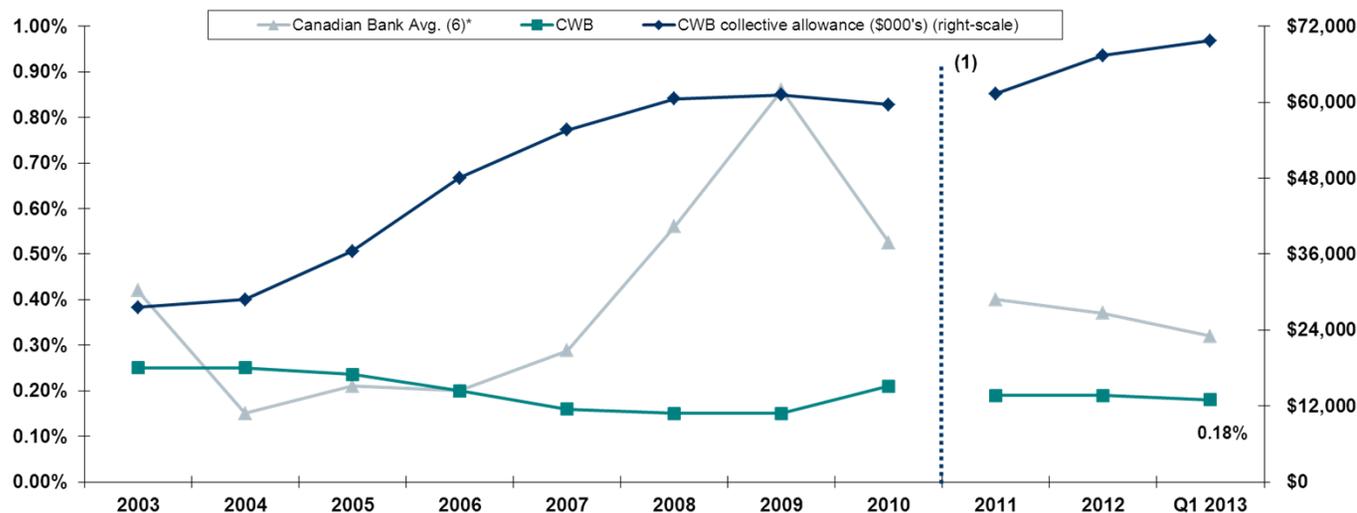
⁽¹⁾ Corporate loans represent a diversified portfolio that is centrally sourced and administered through a designated lending group located in Edmonton. These loans include participation in select syndications that are structured and led primarily by the major Canadian banks, but exclude participation in various other syndicated facilities sourced through relationships developed at CWB branches.



Performance Highlights (continued)

- Financial results – (Q1 13 compared to Q1 12, unless otherwise noted)
 - Net income available to common shareholders of \$45.5 million, up 10% (\$4.0 million)
 - Diluted earnings per common share of \$0.57, up 6%
 - Adjusted cash earnings per common share of \$0.58, up 2%
 - Total revenues (teb) of \$137.1 million, up 9% (\$10.8 million)
 - Net interest margin (teb) of 2.66% declined 11 basis points mainly reflecting lower yields on both loans and securities
 - Net interest margin (teb) declined 5 basis points from Q4 12 mainly reflecting higher average liquidity
 - Declared a quarterly dividend of \$0.17 per CWB common share, unchanged from the previous quarter and 13% higher than the dividend declared a year earlier

Provision for credit losses (as a percentage of average loans)



* "Canadian Bank Avg. (6)" as referenced within this presentation is calculated based on information contained in the publicly available company reports of Canada's six largest banks (TSX trading symbols: BMO, BNS, CM, NA, RY, TD).⁽¹⁾ As of Q1 11, financial results are reported under IFRS, as opposed to GAAP, and may not be directly comparable.



2013 Minimum Performance Targets⁽¹⁾

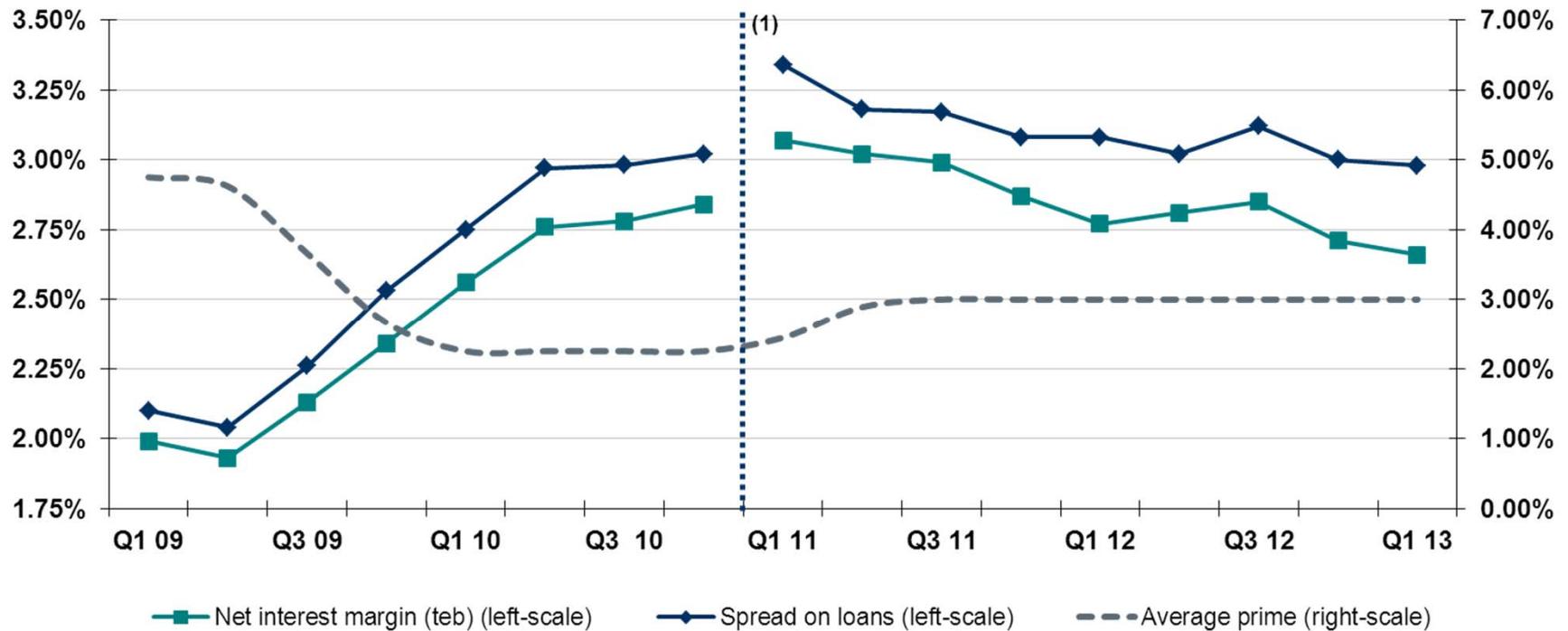
	2013 Minimum Targets	2013 Performance
Net income available to common shareholders growth	8%	10%
Total revenue (teb) growth	8%	9%
Loan growth	10%	12%
Provision for credit losses as a percentage of average loans	0.18% – 0.23%	0.18%
Efficiency ratio (teb) ⁽²⁾	46%	45.3%
Return on common shareholders' equity ⁽³⁾	14%	14.2%
Return on assets ⁽⁴⁾	1.05%	1.06%

(1) 2013 year-to-date performance for earnings and revenue growth is the current year results over the same period in the prior year, loan growth is the increase over the past twelve months, and performance for ratio targets is the current year-to-date results annualized. (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.



Financial Performance: Margin

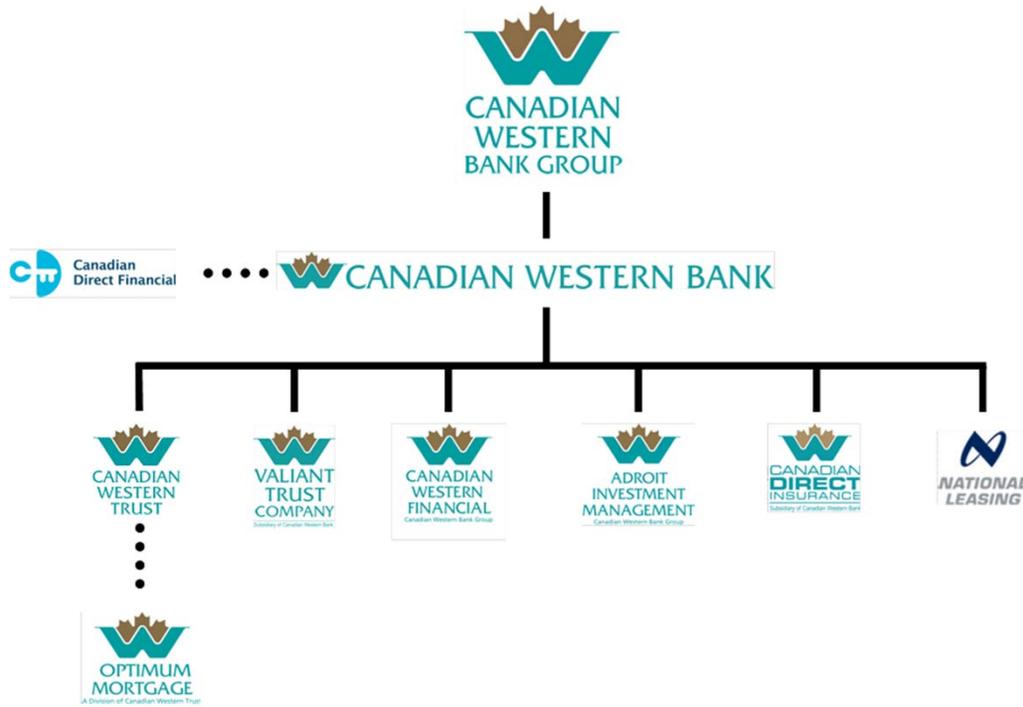
Net Interest Margin (teb) and Spread on Loans



(1) As of Q1 11, financial results are reported under IFRS, as opposed to GAAP, and may not be directly comparable.

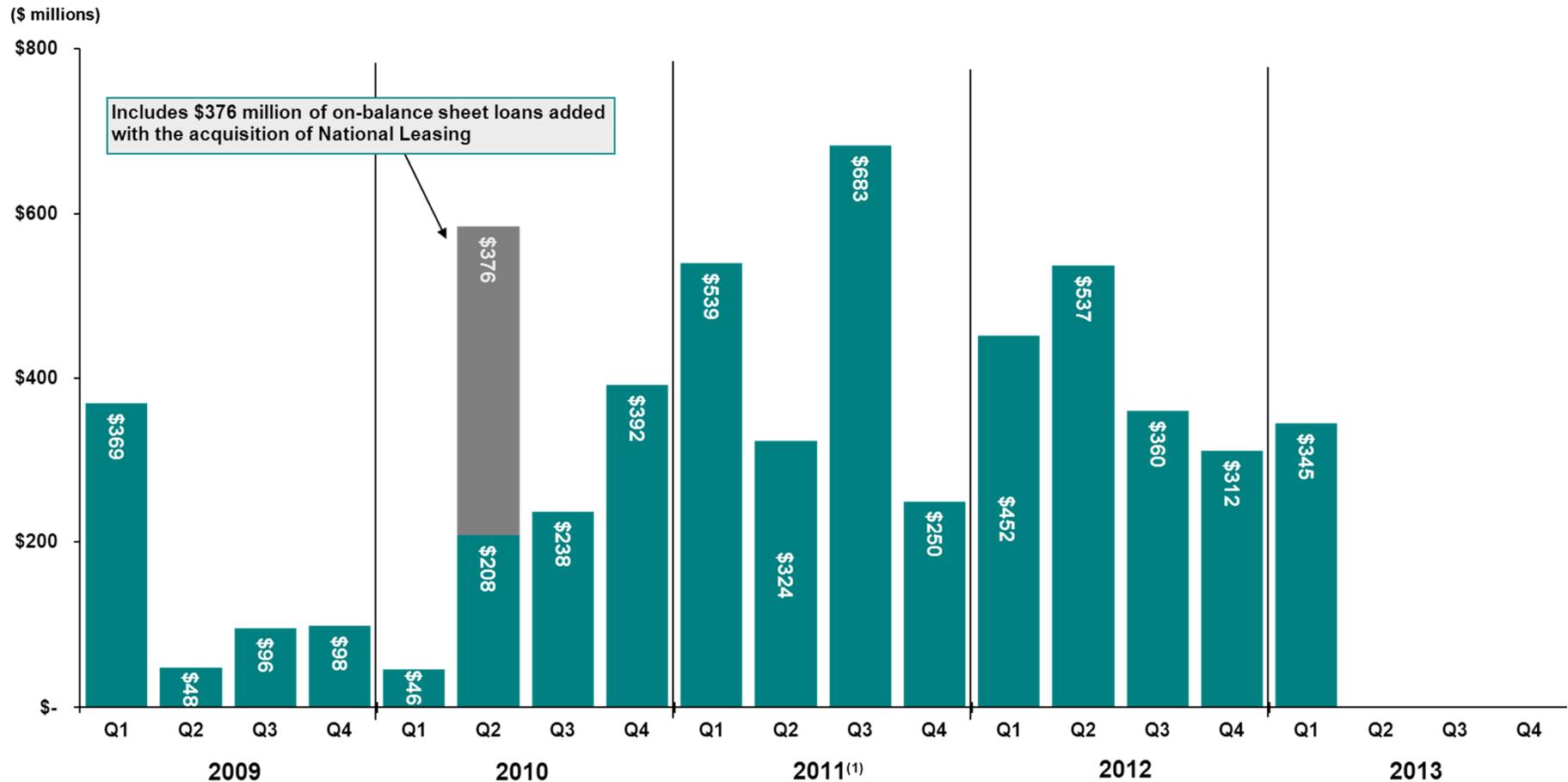


Larry Pollock, CEO





Quarterly Loan Growth

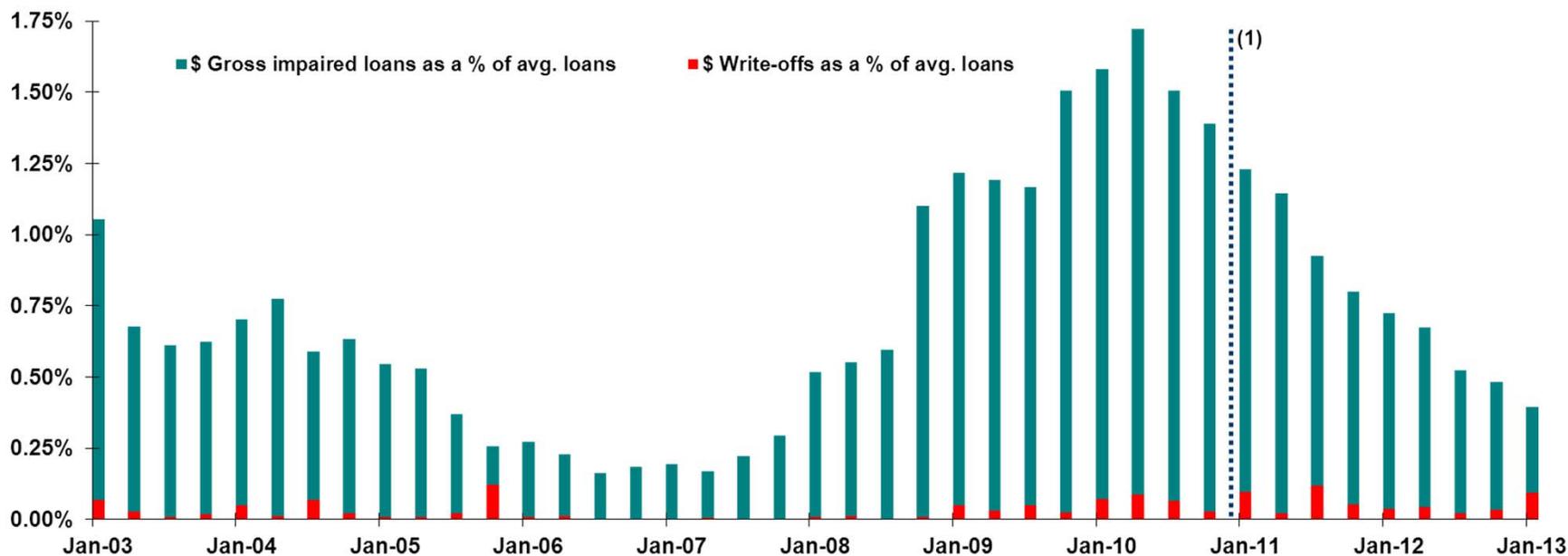


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Financial Performance – Credit

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



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➤ Expect ongoing strong credit quality

- Low write-offs relative to the level of gross impaired loans reflect secured lending practices and disciplined underwriting
- 11 consecutive quarters of reductions in the dollar level of gross impaired loans – gross impaired loans likely to fluctuate above the current very low level going forward



Strategic Direction & Outlook

To be **crucial** to our
clients' **futures.**

Do what we do,
only **better.**

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

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- **Employees:** Provide a positive and rewarding work environment
 - **Clients:** Responsibly offer premier service, relevant products and stability
 - **Communities:** Contribute to the communities where we live and do business
 - **Shareholders:** Deliver a sound and profitable return on investment



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 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 global macroeconomic uncertainty. Management's assumptions at the end of the first quarter remained relatively unchanged compared to those at the 2012 fiscal year end.

Potential risks that would have a material adverse impact on the Bank's economic expectations and forecasts include a global economic recession spurred by unfavourable developments in the euro zone, a recession in the United States, a meaningful slowdown in China's economic growth, or a significant and sustained deterioration in Canadian residential real estate prices. At the end of the first quarter, management's expectations and view of the potential risks were relatively consistent with the fiscal year end. However, significant and ongoing oil price differentials owing to capacity challenges for exporting Canadian crude oil may have a greater than expected impact on both the overall level of capital investment and government fiscal flexibility.