First Quarter Report — January 31 — 2014

To Shareholders

CWB reports record quarterly earnings and very strong loan growth

Basel III-compliant preferred shares issued subsequent to quarter end

Common share dividend declared of $0.19 per share, up 12% over the dividend declared a year earlier

Quarterly dividends declared on Series 3 and Series 5 preferred shares

First Quarter 2014 Highlights[1] (compared to the same period in the prior year)

- Record net income available to common shareholders of $52.6 million, up 16%.
- Record diluted earnings per common share of $0.65, up 14%, and adjusted cash earnings per common share of $0.67, up 16%.
- Record total revenues, on a taxable equivalent basis (teb), of $153.8 million, up 14%.
- Loan growth of 4% in the quarter and 13% over the past twelve months.
- Net interest margin of 2.64% (teb) compared to 2.72% in the previous quarter and 2.62% in the same period last year.
- Basel III regulatory capital ratios using the *Standardized* approach for calculating risk-weighted assets of 8.0% common equity Tier 1 (CET1), 9.5% Tier 1 and 13.2% total ratio.
- Total loans and total assets surpassed $16 billion and $19 billion, respectively.
- Subsequent to quarter end, issued $125 million of 4.40% non-cumulative 5-year rate reset first preferred shares.

(1) Highlights include certain non-IFRS measures – refer to definitions following the table of Selected Financial Highlights on page 4.

Edmonton, March 6, 2014 – Canadian Western Bank (TSX: CWB) (CWB) today announced strong first quarter financial performance led by record quarterly net income available to common shareholders, record total revenues and very strong 4% loan growth.

Compared to the same quarter last year, net income available to common shareholders of $52.6 million was up 16%, while diluted earnings per common share increased 14% to $0.65. Adjusted cash earnings per common share increased 16% to $0.67. Total revenues (teb) of $153.8 million increased 14%, reflecting the positive impacts of strong 13% loan growth, a two basis point improvement in net interest margin (teb) to 2.64%, and a 27% increase in other income.

Compared to last quarter, net income available to common shareholders increased 3%, reflecting the combined positive impacts of 9% higher other income and very strong loan growth, partially offset by an eight basis point reduction in net interest margin. Adjusted cash earnings per share was up 3%.

"We established ambitious financial goals for fiscal 2014 and strong first quarter performance has us well positioned in relation to all of our targets," said Chris Fowler, President and CEO. "Very strong loan growth and record results in both total revenues and earnings per share demonstrate the strength of our business model and the relevance of our complementary products and services to clients in our key markets. While pressure on net interest margin exists, we're confident that the steps we're taking to mitigate the impact of low interest rates will contribute to ongoing strong profitability and excellent returns to shareholders over time."

"We were very satisfied with the issuance of Basel III-compliant preferred shares in February," continued Mr. Fowler. "The net result is a more efficient capital structure and a lower overall cost of capital, which will have a significant positive impact on future earnings per share. Favourable economic conditions in our key western Canadian markets and a supportive pipeline for new loans also contribute to our optimistic outlook."

On March 5, 2014, CWB's Board of Directors declared a cash dividend of $0.19 per common share, payable on March 27, 2014 to shareholders of record on March 17, 2014. This quarterly dividend was consistent with the previous quarter and 12% ($0.02) higher than the quarterly dividend declared one year ago. The Board of Directors also declared cash dividends of $0.453125 per Series 3 Preferred Share and $0.2381 per Series 5 Preferred Share payable on April 30, 2014 to shareholders of record on April 23, 2014.

Fiscal 2014 Performance Target Ranges and Outlook

The performance target ranges established for the 2014 fiscal year together with CWB's actual year-to-date performance are presented in the table below:

	2014 Year-to-date Performance	2014 Target Ranges
Adjusted cash earnings per common share growth[1] [2]	**16%**	12 - 16%
Total revenue (teb) growth[1]	**14%**	10 - 12%
Loan growth[3]	**13%**	10 - 12%
Provision for credit losses as a percentage of average loans[4]	**0.19%**	0.18 - 0.23%
Efficiency ratio (teb)[5]	**45.1%**	46% or less
Return on common shareholders' equity[6]	**14.7%**	14.0 – 15.0%
Return on assets[7]	**1.11%**	1.05 – 1.15%

(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 in the prior 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.

Strong performance early in the year has CWB well positioned compared to all of our 2014 performance target ranges. Performance for loan growth, adjusted cash earnings per share and total revenues was driven by ongoing strong activity across most key lending sectors and each geographic region. The increase in other income also provided a significant contribution and helped mitigate the effects of lower net interest margin compared to the prior quarter. The decline in net interest margin was primarily the result of a decrease in loan fees, partly due to competitive influences, coupled with lower average yields on securities and certain loan portfolios. Meaningful improvement in this key metric is not expected in the absence of increases in the prime lending interest rate and/or a sustained steepening of the yield curve. The 2014 target for the efficiency ratio is challenging, but attainable, as revenue growth through the remainder of the year is expected to offset the impact of higher non-interest expense from increased staff complement and ongoing initiatives to support business growth. Overall credit quality remains very strong and supports our view that the annual provision for credit losses will remain within the target range.

Subsequent to quarter end, we closed the previously-announced issuance of $125 million of 4.40% non-cumulative 5-year rate reset Series 5 preferred shares. We also received regulatory approval to redeem, on April 30, 2014, the outstanding 7.25% non-cumulative 5-year rate reset Series 3 preferred shares. Redemption and partial replacement of the Series 3 preferred shares will have a positive impact on growth in net income available to common shareholders and adjusted cash earnings per share in fiscal 2014, although the timing of the new preferred share issuance will lead to the payment of dividends on both series of preferred shares during the second quarter.

The outlook for the Canadian economy continues to improve as employment conditions have remained stable despite persistent low inflation. Economic fundamentals within CWB's key western Canadian markets are comparatively strong, with steady job creation supporting ongoing in-migration. Supply and demand in the Canadian housing sector appears to be roughly in balance, however, we continue to carefully monitor market dynamics within specific geographic regions. On the basis of expectations for a strengthening U.S. economy and ongoing stability in global markets, consensus forecasts call for modest acceleration of the domestic economy in 2014 and 2015, supporting our optimistic outlook for ongoing profitable growth.

About CWB 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. CWB, along with its operating affiliates, National Leasing, Canadian Western Trust, Valiant Trust, Canadian Direct Insurance, Canadian Western Financial, Adroit Investment Management, and McLean & Partners Wealth Management, collectively offer a diversified range of financial services across Canada and are together known as the CWB Group. The common shares of Canadian Western Bank are listed on the Toronto Stock Exchange under the trading symbol "CWB". CWB's Series 3 and Series 5 preferred shares trade on the Toronto Stock Exchange under the trading symbols "CWB.PR.A" and "CWB.PR.B", respectively. Refer to www.cwb.com for additional information.

Fiscal 2014 First Quarter Results Conference Call

CWB's quarterly conference call and live audio webcast took place on March 6, 2014 at 1:30 p.m. ET. The webcast will be archived on CWB's website at cwb.com for sixty days.

A replay of the conference call will be available until March 20, 2014 by dialing 905-694-9451 (Toronto) or 1-800-408-3053 (toll-free) and entering passcode 6674131.

Contents

Selected Financial Highlights

(unaudited) ($ thousands, except per share amounts)	For the three months ended January 31 2014	October 31 2013[1]	January 31 2013[1]	Change from January 31 2013	
Results of Operations					
Net interest income (teb – see below)	**$ 125,239**	$ 124,775	$ 113,052	11	%
Less teb adjustment	**2,090**	2,062	1,915	9	
Net interest income per financial statements	**123,149**	122,713	111,137	11	
Other income	**28,531**	26,181	22,379	27	
Total revenues (teb)	**153,770**	150,956	135,431	14	
Total revenues	**151,680**	148,894	133,516	14	
Net income available to common shareholders	**52,628**	51,210	45,482	16	
Earnings per common share					
Basic[2]	**0.66**	0.64	0.58	14	
Diluted[3]	**0.65**	0.64	0.57	14	
Adjusted cash[4]	**0.67**	0.65	0.58	16	
Return on common shareholders' equity[5]	**14.7 %**	14.9 %	14.2 %	50	bp[6]
Return on assets[7]	**1.11**	1.11	1.06	5	
Efficiency ratio (teb)[8]	**45.1**	45.5	45.8	(70)	
Efficiency ratio	**45.7**	46.1	46.5	(80)	
Net interest margin (teb)[9]	**2.64**	2.72	2.62	2	
Net interest margin	**2.60**	2.67	2.58	2	
Provision for credit losses as a percentage of average loans	**0.19**	0.19	0.18	1	
Per Common Share					
Cash dividends	**$ 0.19**	$ 0.18	$ 0.17	12	%
Book value	**18.03**	17.54	16.42	10	
Closing market value	**36.43**	33.44	30.84	18	
Common shares outstanding (thousands)	**79,897**	79,620	78,992	1	
Balance Sheet and Off-Balance Sheet Summary					
Assets	**$ 19,135,490**	$ 18,520,260	$ 17,161,437	12	
Loans	**16,156,366**	15,576,893	14,299,112	13	
Deposits	**16,243,496**	15,631,040	14,246,439	14	
Debt	**812,780**	820,650	860,661	(6)	
Shareholders' equity	**1,648,971**	1,605,427	1,506,438	9	
Assets under administration	**8,463,935**	8,423,972	7,306,557	16	
Assets under management	**1,683,813**	1,901,146	882,213	91	
Capital Adequacy[10]					
Common equity Tier 1 ratio	**8.0 %**	8.0 %	8.0 %	-	bp[6]
Tier 1 ratio	**9.5**	9.7	9.7	(20)	
Total ratio	**13.2**	13.9	14.2	(100)	

(1) Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1 of the consolidated financial statements.
(2) Basic earnings per common share (EPS) is calculated as net income available to common shareholders divided by the average number of common shares outstanding.
(3) Diluted EPS is calculated as net income available to common shareholders divided by the average number of common shares outstanding adjusted for the dilutive effects of stock options.
(4) Adjusted cash EPS is diluted EPS excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of contingent consideration. These exclusions represent non-cash charges and are not considered indicative of ongoing business performance.
(5) Return on common shareholders' equity is calculated as annualized net income available to common shareholders divided by average common shareholders' equity.
(6) bp – basis point change.
(7) Return on assets is calculated as annualized net income available to common shareholders divided by average total assets.
(8) Efficiency ratio is calculated as non-interest expenses divided by total revenues excluding the non-tax deductible change in fair value of contingent consideration.
(9) Net interest margin is calculated as annualized net interest income divided by average total assets.
(10) Capital adequacy is calculated in accordance with Basel III guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI).

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 International Financial Reporting Standards (IFRS) and, therefore, may not be comparable to similar measures presented by other financial institutions. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

CWB uses a number of financial measures to assess its performance. These measures provide readers with an enhanced understanding of how management views the results. Non-IFRS measures may also provide readers the ability to analyze trends and provide comparisons with our competitors. Taxable equivalent basis, adjusted cash earnings per common share, return on common shareholders' equity, return on assets, efficiency ratio, net interest margin, common equity Tier 1, Tier 1 and total capital adequacy ratios, and average balances do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other financial institutions.

Management's Discussion and Analysis

This management's discussion and analysis (MD&A), dated March 5, 2014, should be read in conjunction with Canadian Western Bank's (CWB) unaudited condensed interim consolidated financial statements for the period ended January 31, 2014, and the audited consolidated financial statements and MD&A for the year ended October 31, 2013, available on SEDAR at www.sedar.com and CWB's website at www.cwb.com.

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 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, the occurrence of weather-related and other natural catastrophes, 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 2014 and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2014 consider the following management assumptions: a modest acceleration of economic growth in Canada and relatively stronger performance in the four western provinces; prices for energy and other commodities remaining at levels comparable with those observed at October 31, 2013; very strong credit quality with actual losses remaining within CWB's historical range of acceptable levels; and, a relatively stable net interest margin compared to the prior year, attributed to favourable deposit costs and shifts in asset mix that help to offset impacts from the very low interest rate environment and competitive factors. Management's assumptions at the end of the first quarter remained relatively unchanged compared to those at the 2013 fiscal year end.

Potential risks that would have a material adverse impact on current economic expectations and forecasts include a slowing rate of economic growth in the United States (U.S.) and/or China, a significant and sustained deterioration in Canadian residential real estate prices, or a significant disruption in other global economies including the Eurozone. Unexpected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact the costs of overall deposit funding may also contribute to adverse financial results compared to expectations.

Overview

CWB reported record quarterly performance led by very strong loan growth of 4% in the quarter and 13% over the past twelve months.

Q1 2014 vs. Q1 2013

Record net income available to common shareholders of $52.6 million was up 16% as the benefit of strong loan growth, an increase in net interest margin and higher other income more than offset growth in non-interest expense. Total other income increased 27% reflecting strong growth across almost all categories, led by a significant increase in trust and wealth management revenues and higher net gains on securities. Diluted earnings per common share was up 14% to $0.65. Record adjusted cash earnings per common share, which excludes the after-tax amortization of acquisition-related intangible assets and non-tax deductible changes in fair value of contingent consideration, increased 16% to $0.67.

Q1 2014 vs. Q4 2013

Net income available to common shareholders increased 3% reflecting the positive revenue impacts of 9% higher other income and very strong loan growth, partially offset by lower net interest margin. Within other income, increases in net gains on securities and trust and wealth management revenues more than offset a decline in net insurance revenues.

ROE and ROA

First quarter return on common shareholders' equity (ROE) was 14.7% compared to 14.9% last quarter and 14.2% last year. Return on assets (ROA) of 1.11% was unchanged from last quarter and compares to 1.06% a year earlier.

Issuance of First Preferred Shares Series 5 and Redemption of First Preferred Shares Series 3

Subsequent to quarter end, CWB closed its domestic public offering of 5 million Basel III-compliant non-cumulative 5-year rate reset Series 5 preferred shares for gross proceeds of $125 million. Holders of these shares will be entitled to receive a non-cumulative fixed dividend in the amount of $1.10 annually, payable quarterly, for the initial period ending April 30, 2019. The quarterly dividend represents an annual yield of 4.40% based on the $25.00 issue price per share. CWB also received regulatory approval to redeem, on April 30, 2014, the outstanding non-cumulative 5-year rate reset Series 3 preferred shares.

The issuance of the Series 5 preferred shares and subsequent redemption of $209 million of 7.25% Series 3 preferred shares will benefit shareholders by creating a more efficient capital structure while ensuring CWB remains well capitalized within the Basel III regulatory capital framework.

Total Revenues (teb)

Total revenues, comprised of both net interest income (teb) and other income, grew 14% compared to the same quarter in 2013 and 2% over the previous quarter to reach a record $153.8 million.

Net Interest Income (teb)

Q1 2014 vs. Q1 2013

Net interest income of $125.2 million was up 11% as the revenue contribution from strong 13% loan growth was augmented by a two basis point improvement in net interest margin to 2.64%. The change in net interest margin mainly resulted from more favourable fixed term deposit costs and lower average liquidity, partially offset by reduced loan yields.

Q1 2014 vs. Q4 2013

Net interest income was relatively unchanged as the benefit of very strong 4% loan growth was offset by an eight basis point decrease in net interest margin (teb). The decline in net interest margin primarily resulted from a decrease in loan fees, partly due to competitive influences, coupled with lower average yields on securities and certain types of loans.

Interest rate sensitivity

Note 13 to the unaudited interim consolidated financial statements summarizes CWB's exposure to interest rate risk as at January 31, 2014. The estimated sensitivity of net interest income to a change in interest rates is presented in the table below. The amounts represent the estimated change in net interest income that would result over the following twelve months from a one-percentage point change in interest rates. The estimates are based on a number of assumptions and factors, which include:

- a constant structure in the interest sensitive asset and liability portfolios;
- interest rate changes affecting interest sensitive assets and liabilities by proportionally the same amount, except floor levels for various deposit liabilities, and applied at the appropriate repricing dates; and,
- no early redemptions.

($ thousands)	**January 31 2014**	October 31 2013	January 31 2013
Estimated impact on net interest income of a 1% increase in interest rates			
1 year	**$ 13,980**	$ 14,545	$ 13,916
1 year percentage change	**3.1 %**	3.3 %	3.4 %
Estimated impact on net interest income of a 1% decrease in interest rates			
1 year	**$ (23,587)**	$ (23,853)	$ (21,386)
1 year percentage change	**(5.2) %**	(5.3) %	(5.3) %

Higher sensitivity to a decrease in rates is due to asymmetry in the impact of falling rates on loans and deposits. A decrease of one-percentage point in rates is assumed to reduce loan yields by an equivalent amount. However, the assumed change in total deposit costs is lower because deposits yielding less than one percent are only adjusted to zero.

In addition to the projected changes in net interest income noted above, it is estimated that a one-percentage point increase in all interest rates at January 31, 2014 would decrease unrealized gains related to available-for-sale securities and the fair value of interest rate swaps designated as hedges, and result in a reduction in other comprehensive income of approximately $13.0 million, net of tax (January 31, 2013 – $11.7 million). It is estimated that a one-percentage point decrease in all interest rates at January 31, 2014 would have the opposite effect, increasing other comprehensive income by approximately $13.0 million, net of tax (January 31, 2013 – $11.7 million).

Management maintains the asset liability structure and interest rate sensitivity within CWB's established policies through pricing and product initiatives, as well as the use of interest rate swaps and other appropriate strategies.

Outlook for net interest margin

Net interest margin in the first quarter was relatively consistent with the level achieved in fiscal 2013, but down from the previous quarter. Meaningful improvement in net interest margin from the current level is not expected in the absence of increases in the prime lending interest rate and/or a sustained steepening of the interest rate curve. Competitive factors related to loan fees and overall pricing also continue to influence net interest margin expectations. CWB will maintain its strategic focus on mitigating the earnings impact of ongoing margin pressure through efforts to achieve stronger relative growth in higher yielding loan portfolios with an acceptable risk profile, improving the funding mix to lower the overall cost of funds, prudently managing liquidity levels and increasing contributions from other income sources.

Other Income

Q1 2014 vs. Q1 2013

First quarter other income of $28.5 million was up $6.2 million mainly due to increases in trust and wealth management revenues, net gains on securities, and net insurance revenues. Higher trust and wealth management revenue primarily reflects the third quarter 2013 acquisition of McLean & Partners, which contributed $2.4 million of the overall increase. Higher net gains on securities were mainly the result of the realization of gains owing to strong performance within CWB's portfolio of common shares. Based on the level of gains realized and the current composition of the securities portfolio, quarterly net gains on securities are expected to be lower through the remainder of the year. The 'other' category of other income was down $1.1 million compared to the first quarter of 2013, when the sale of insured residential mortgages contributed gains of $1.0 million. No loan portfolios were sold this quarter.

Q1 2014 vs. Q4 2013

Other income was up $2.4 million primarily reflecting an increase in net gains on securities and higher trust and wealth management revenue, partially offset by lower net insurance revenues. The increase in net gains on securities reflects the realization of gains on common shares, as described above. Higher trust and wealth management revenue was driven by unusually high fee income within Canadian Western Trust, while lower net insurance revenues mainly resulted from higher claims experience in the Alberta auto and British Columbia home product lines.

Credit Quality

Overall credit quality reflects continued strong underwriting practices and relatively stable levels of economic activity in Western Canada. The dollar level of gross impaired loans at January 31, 2014 represented 0.33% of total loans at quarter end, compared to 0.41% last quarter and 0.39% one year ago.

(unaudited) ($ thousands)	For the three months ended January 31 2014	October 31 2013	January 31 2013	Change from January 31 2013
Gross impaired loans, beginning of period	**$ 64,211**	$ 72,739	$ 66,840	(4) %
New formations	**5,634**	8,703	14,972	(62)
Reductions, impaired accounts paid down or returned to performing status	**(13,455)**	(10,710)	(12,906)	4
Write-offs	**(2,453)**	(6,521)	(13,172)	(81)
Total[1]	**$ 53,937**	$ 64,211	$ 55,734	(3) %
Balance of the ten largest impaired accounts	**$ 27,929**	$ 35,619	$ 23,833	17 %
Total number of accounts classified as impaired[3]	**132**	143	135	(2)
Gross impaired loans as a percentage of total loans[4]	**0.33 %**	0.41 %	0.39 %	(6) bp[2]

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $5,014 (October 31, 2013 – $12,407 and January 31, 2013 – $9,160).
(2) bp – basis point change.
(3) Total number of accounts excludes National Leasing.
(4) Total loans do not include an allocation for credit losses or deferred revenue and premiums.

The level of gross impaired loans fluctuates as loans become impaired and are subsequently resolved, and does not directly reflect the dollar value of expected write-offs given tangible security held in support of lending exposures. The reduction in gross impaired loans compared to both the prior quarter and last year resulted from lower new formations coupled with pay downs and loans returned to performing status. Management expects gross impaired loans to increase from the current very low level reflecting normal fluctuations of the credit cycle.

Specific allowances for expected write-offs are established through detailed analyses of both the overall quality and ultimate marketability of the security held against impaired accounts. Actual credit losses are expected to remain within CWB's historical range of acceptable levels. As at January 31, 2014, the collective allowance for credit losses exceeded the balance of impaired loans, net of specific allowances. The total allowance for credit losses (collective and specific) represented 169% of gross impaired loans at quarter end, compared to 134% last quarter and 137% one year ago. The total allowance for credit losses was $91.4 million at January 31, 2014, compared to $85.8 million last quarter and $76.4 million a year earlier.

The quarterly provision for credit losses measured against average loans was 19 basis points, consistent with the previous quarter and up one basis point from the same period last year. Based on the current environment and expectations for credit quality looking forward, management expects the annual provision for credit losses will remain within the target range of 18 to 23 basis points.

Non-interest Expenses

One of management's key priorities is to deliver strong long-term growth through strategic investment in people, technology, infrastructure and other areas while maintaining effective control of costs. This strategy is aligned with a commitment to maximize long-term shareholder value and is expected to provide material benefits in future periods. Work toward implementation of a new core banking system has proceeded on time and on budget through the end of the first quarter. Current plans estimate completion of this very significant technology project in 2015 based on a capital budget of $50 million. Upgrades and expansion of branch infrastructure are also ongoing, with Edmonton's flagship Main Branch premises expected to open at the end of April 2014. Compliance with an increasing level of regulatory rules and oversight for all Canadian banks requires the investment of both time and resources, which further contributes to higher non-interest expenses.

Q1 2014 vs. Q1 2013

Quarterly non-interest expense of $69.4 million was up $7.4 million primarily due to higher salaries and benefits and general expenses. Of the total increase in non-interest expense, 22% reflects the addition of McLean & Partners. The change in salaries and benefits, excluding McLean & Partners, mainly resulted from higher full-time salary expense associated with annual salary increments and a larger staff complement to support ongoing growth across all businesses. The change in general expenses was driven by the impact of a higher CWB common share price on Deferred Share Units (DSUs) for directors, higher regulatory costs, and incremental increases across other categories. Premises and equipment expense was 11% higher primarily due to increases in direct computer costs related to banking systems and networks, maintenance and repairs to existing facilities, and higher premises rental expense.

Q1 2014 vs. Q4 2013

Non-interest expense was relatively stable sequentially. Increases in salaries and benefits and premises and equipment were partially offset by a decrease in general expenses. Lower general expenses primarily reflect seasonality in advertising and promotion.

Efficiency ratio

The first quarter efficiency ratio (teb), which measures non-interest expenses as a percentage of total revenues (teb), was 45.1%, compared to 45.8% in the first quarter last year and 45.5% in the previous quarter. The improvement compared to the prior quarter mainly reflects the combined positive impact on total revenues of very strong loan growth and higher other income, partially offset by lower net interest margin. Improved efficiency compared to the same quarter last year reflects similar factors, with the benefit of loan growth augmented by higher net interest margin. Based on performance through the first quarter and in consideration of expected revenues and planned expenditures through the remainder of the year, management believes its 2014 efficiency ratio target of 46% or better is challenging, but attainable.

Income Taxes

The first quarter effective income tax rate (teb) was 26.0%, compared to 26.4% in the same quarter last year.

Comprehensive Income

Comprehensive income is comprised of net income and other comprehensive income (OCI), all net of income taxes, and totaled $55.5 million for the first quarter, compared to $52.9 million in the same period last year. The increase in comprehensive income was driven by 15% higher net income, partially offset by a decline in OCI. The decrease in OCI mainly resulted from lower unrealized gains, net of tax, from changes in fair value of available-for-sale securities, and higher reclassifications to net income, net of tax. The change in fair value of available-for-sale securities relates to changes in the market value of securities, and/or the realization of gains or losses, within CWB's portfolios of preferred and common equities. While the combined dollar investment in these portfolios is relatively small in relation to total liquid assets, it increases the potential for comparatively larger fluctuations in OCI.

Balance Sheet

Total assets increased 3% in the quarter and 12% in the past year to reach $19,135 million at January 31, 2014.

Cash and Securities

Cash and securities totaled $2,596 million at January 31, 2014, compared to $2,517 million a year earlier and $2,580 million at the end of last quarter. Net unrealized losses recorded on the balance sheet of $8.8 million compare to unrealized losses of $7.1 million last quarter and unrealized gains of $16.0 million a year earlier. The difference compared to the prior quarter reflects lower unrealized gains on common shares following the realization of gains recorded in other income, while the year-over-year change mainly resulted from a decrease in the market value of preferred shares. The securities portfolio is primarily comprised of high quality debt instruments, preferred shares and common equities that are not held for trading purposes and, where applicable, are typically held until maturity. Fluctuations in value are generally attributed to changes in interest rates, movements in market credit spreads and shifts in the interest rate curve. The lower market value of preferred shares compared to last year was mainly due to steepening of the yield curve in the third quarter of 2013. Volatility in equity markets also leads to fluctuations in value, particularly for common shares.

Net realized gains on securities in the first quarter of $4.7 million compare to $2.7 million in the same period last year and $2.4 million in the previous quarter. Favourable market conditions in the quarter prompted the realization of gains following strong performance within the common share portfolio. Based on the level of gains realized and current composition of the securities portfolio, quarterly net gains on securities are expected to be lower through the remainder of the year.

Treasury Management

Average liquidity was relatively unchanged from the prior quarter and lower than the same quarter last year. Assuming an ongoing supportive economic environment, management expects average liquidity ratios to remain relatively consistent with the current level through the remainder of the year.

DBRS Limited (DBRS) maintains published credit ratings, all with a stable outlook, on CWB's senior debt (deposits), short-term debt, and subordinated debentures of "A (low)", "R1 (low)", and "BBB (high)", respectively. First Preferred Shares Series 3 are rated "Pfd-3 (high)" and Basel III-compliant First Preferred Shares Series 5 are rated "Pfd-3". With respect to the latter, DBRS disclosed its methodology for rating Basel III-compliant instruments in December, 2013. Due to the non-viability contingent capital (NVCC) required regulatory feature of these securities, these shares are rated one notch below ratings maintained on non-NVCC preferred shares with otherwise similar features. Credit ratings do not consider market price or address the suitability of any financial instrument for a particular investor and are not recommendations to purchase, sell or hold securities. Ratings are subject to revision or withdrawal at any time by the rating organization. Management believes the ratings widen the base of clients and investors who can participate in CWB's offerings, while also lowering overall funding costs and the cost of capital.

Loans

Total loans grew 4% ($579 million) in the quarter and 13% ($1,857 million) in the past twelve months to reach $16,156 million. In dollar terms, quarterly growth by lending sector was led by commercial mortgages ($164 million), real estate project loans ($114 million), personal loans and mortgages ($100 million), general commercial loans ($77 million), and equipment financing and leasing ($74 million). The corporate lending portfolio grew $49 million and oil and gas production loans were up $7 million.

Commercial mortgages also led growth by lending sector on a year-over-year basis with an increase of $484 million, followed by growth in equipment financing and leasing of $422 million. Growth in real estate project loans was also strong at $376 million as CWB continued to identify opportunities to finance well-capitalized developers on the basis of sound loan structures and acceptable pre-sale/lease levels. Growth in personal loans and mortgages, and general commercial loans was $286 million and $284 million, respectively.

Measured by geographic concentration, lending activity in Alberta showed the highest growth in dollar terms compared to the prior quarter, followed by British Columbia, Ontario, Saskatchewan and Manitoba. On a year-over-year basis, British Columbia led, followed by Alberta, with the other provinces performing in the same order as above.

(unaudited) (millions)	**January 31 2014**	October 31 2013	January 31 2013	% Change from January 31 2013
General commercial loans	**$ 3,505**	$ 3,428	$ 3,221	9 %
Commercial mortgages	**3,475**	3,311	2,991	16
Equipment financing and leasing	**3,016**	2,942	2,594	16
Personal loans and mortgages	**2,602**	2,502	2,316	12
Real estate project loans	**2,418**	2,304	2,042	18
Corporate lending [(1)]	**951**	902	928	2
Oil and gas production loans	**281**	274	283	(1)
Total loans outstanding [(2)]	**$ 16,248**	$ 15,663	$ 14,375	13 %

(1) Corporate lending represents 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.

(2) Loans by lending sector exclude the allowance for credit losses.

While strong competition from domestic banks and other financial services firms is expected to persist, management believes CWB will continue to gain market share through a combination of several positive influences. These include an expanded market presence, increased brand awareness in core geographic markets, due in part to targeted marketing initiatives, and the effective execution of CWB's strategic plan. CWB's strategy continues to focus on enhancing existing competitive advantages in business banking, while offering complementary products and personalized services in small-ticket equipment leasing, personal banking, wealth management and other key business areas.

Consensus forecasts for Canada's domestic economy continue to anticipate a modest acceleration of economic growth in 2014 and 2015, largely predicated on improving economic conditions in the U.S. Key markets in Western Canada are expected to perform well relative to the rest of Canada reflecting ongoing capital investment and in-migration primarily related to a favourable long-term outlook for commodities.

Canadian residential real estate markets have been resilient and affordability in most geographic areas remains within historical ranges, largely reflecting very low interest rates. However, the combination of historically high price levels, elevated levels of Canadian consumer debt and the potential for increasing interest rates in the future could slow construction and other related lending activity, particularly in areas of Vancouver and Toronto. Several years of low natural gas prices challenged the financial flexibility and cash flows of many exploration and production companies in Western Canada, and recent price increases have yet to result in escalated drilling activity. While CWB's direct exposure to this sector remains low, related growth opportunities will continue to be limited in the near term. Despite these constraints, the current overall outlook for ongoing profitable loan growth remains positive, and continues to support management's expectations for double-digit growth in fiscal 2014.

Optimum Mortgage

Total loans of $1,306 million within the broker-sourced residential mortgage business, Optimum Mortgage (Optimum), represented an increase of 7% ($84 million) compared to the prior quarter and 18% ($203 million) year-over-year. Growth was driven almost exclusively by alternative mortgages secured via conventional residential first mortgages carrying a weighted average loan-to-value ratio at initiation of approximately 71%. The book value of alternative mortgages represented 80% of Optimum's total portfolio at quarter end, compared to 79% in the prior quarter and 74% last year. Overall, Optimum continues to deliver very strong performance.

Securitization

Securitized leases are reported on-balance sheet with total loans. The gross amount of securitized leases at January 31, 2014 was $223 million, compared to $230 million last quarter and $214 million one year ago. Leases securitized in the first quarter totaled $17 million.

Deposits

Total deposits at quarter end were $16,243 million, up 4% over the previous quarter and 14% over the past year. Personal deposits represented 59% of total deposits at January 31, 2014, down from 60% the prior quarter and 63% one year ago. Total branch-raised deposits, including trust services deposits, represented 54% of total deposits at January 31, 2014, down from 55% in the previous quarter and 56% one year ago. Demand and notice deposits were 32% of total deposits, consistent with the previous quarter and down from 33% in the same period last year.

Total branch deposits of $8,810 million were up 3% sequentially and 10% over the past twelve months. The demand and notice component within branch-raised deposits, which includes lower cost deposits, was up 2% compared to the prior quarter and 10% from the same time last year to reach $5,116 million. One of management's long-term strategic objectives is to increase the level of personal and business deposits raised within the branch network, trust companies and Canadian Direct Financial, the Internet-based division of CWB. Specific emphasis is placed on growing deposits that are lower cost, provide associated transactional fee income and strengthen relationships by providing clients with relevant tools for managing their business and personal finances. Meaningful enhancements to CWB's cash management offerings for business clients, including the availability of desktop wires and foreign exchange services expected in the second quarter, continue to support this focus on growing branch-raised deposits, as do focused training programs that have reached a significant number of branch employees.

CWB's expanding market presence, including ongoing expansion and upgrades to existing branches, also supports the generation of branch-raised deposits.

Management remains committed to further enhance and diversify all funding sources to support growth, manage the impact of competitive factors and mitigate pressure on net interest margins. The deposit broker network remains a valued source for raising insured fixed term retail deposits and has proven to be an effective and efficient way to access funding and liquidity over a wide geographic base. Selectively utilizing debt capital markets is also part of management's strategy to further diversify the funding base over time. At the end of the first quarter, there was a total of $1,674 million of term deposits raised through debt capital markets, representing 10% of total deposits, up from 9% in the previous quarter and 7% last year. The increase from prior periods is mainly reflective of a $300 million senior deposit note issuance in January, and expansion of CWB's Bearer Deposit Note (BDN) program to $270 million. Management will also continue to evaluate the funding potential available through securitization of portfolios that may include equipment loans and leases, residential mortgages and commercial mortgages.

Other Assets and Other Liabilities

Other assets at January 31, 2014 totaled $383 million, compared to $363 million last quarter and $345 million one year ago. Other liabilities at quarter end were $429 million, compared to $462 million the previous quarter and $548 million a year earlier.

Off-Balance Sheet

Off-balance sheet items include assets under administration and assets under management. Total assets under administration, which are comprised of trust assets and third-party leases under administration, as well as mortgages under service agreements, totaled $8,464 million at January 31, 2014, compared to $8,424 million last quarter and $7,307 million one year ago. Assets under management were $1,684 million at quarter end, compared to $1,901 million last quarter and $882 million a year earlier. Lower assets under management compared to the prior quarter resulted from the closing of an institutional account at Adroit Investment Management, while higher assets under management compared to last year mainly reflect the addition of McLean & Partners.

Other off-balance sheet items are comprised of standard industry credit instruments (guarantees, standby letters of credit and commitments to extend credit). CWB does not utilize, nor does it have exposure to, collateralized debt obligations or credit default swaps. For additional information regarding other off-balance sheet items refer to Note 11 of the unaudited interim consolidated financial statements for the period ended January 31, 2014, as well as Notes 11 and 20 of the audited consolidated financial statements in CWB's 2013 Annual Report.

Capital Management

The Office of the Superintendent of Financial Institutions Canada (OSFI) requires Canadian financial institutions to manage and report regulatory capital in accordance with the Basel III capital management framework. The required minimum regulatory capital ratios, including a 250 basis point capital conservation buffer, are 7.0% common equity Tier 1 (CET1), 8.5% Tier 1 and 10.5% total capital. The Basel III rules provide for transitional adjustments whereby certain aspects of the new rules will be phased in through 2019. The only available transition allowance in the Basel III capital standards permitted by OSFI for Canadian banks relates to the multi-year phase out of non-qualifying capital instruments.

At January 31, 2014, CWB's capital ratios were 8.0% CET1, 9.5% Tier 1 and 13.2% total capital. The CET1 ratio was unchanged from the previous quarter, while the Tier 1 and total capital ratios were down 20 basis points and 70 basis points, respectively. Lower Tier 1 and total capital ratios were largely the result of the ongoing phase-out of non-qualifying capital instruments.

Further details regarding CWB's regulatory capital and capital adequacy ratios are included in the following table:

(unaudited) ($ millions)	**As at January 31 2014**	As at October 31 2013	As at January 31 2013
Regulatory capital			
CET1 capital before deductions	**$ 1,438**	$ 1,395	$ 1,294
Net CET1 deductions	**(112)**	(109)	(101)
CET1 capital	**1,326**	1,286	1,193
Tier 1 capital before deductions[(1)]	**1,578**	1,569	1,476
Net deductions	**(2)**	(8)	(26)
Tier 1 capital	**1,576**	1,561	1,450
Total capital before deductions[(1)]	**2,195**	2,245	2,128
Net deductions	**-**	(1)	(9)
Total capital	**$ 2,195**	$ 2,244	$ 2,119
Risk-weighted assets	**$ 16,671**	$ 16,115	$ 14,927
Capital adequacy ratios			
CET1	**8.0 %**	8.0 %	8.0 %
Tier 1	**9.5**	9.7	9.7
Total	**13.2**	13.9	14.2

(1) The 2014 inclusion of non-common equity instruments that do not include non-viability contingent capital clauses is capped at 80% of the January 1, 2013 outstanding balances (October 31, 2013 and January 31, 2013 – 90%). At January 31, 2014, a combined $62 million (October 31, 2013 and January 31, 2013 – $31 million) of outstanding Innovative Tier 1 capital (disclosed in deposits) and preferred shares as well as $85 million of outstanding subordinated debentures (October 31, 2013 – $18 million and January 31, 2013 – $68 million) were excluded from regulatory capital.

The ongoing retention of earnings associated with anticipated performance within the 2014 target ranges is expected to support capital requirements. Pro forma Tier 1 and total capital ratios as at January 31, 2014, restated for the issuance of $125 million of NVCC Series 5 preferred shares eligible as additional Tier 1 capital under OSFI's Basel III rules, and subsequent redemption of $209 million of Series 3 preferred shares, would be 9.4% and 13.1%, respectively. Capital ratios are expected to meet the targets established through CWB's Internal Capital Adequacy Assessment Process (ICAAP).

CWB currently reports its regulatory capital ratios using the *Standardized* approach for calculating risk-weighted assets. This approach requires CWB to carry significantly more capital for certain credit exposures compared to requirements under the *Advanced Internal Ratings Based* (AIRB) methodology used by larger Canadian financial institutions. For this reason, regulatory capital ratios of banks that utilize the *Standardized* approach versus the *AIRB* methodology are not directly comparable. Required resources, costs and potential timelines related to CWB's possible transition to an *AIRB* methodology for managing credit risk and calculating risk-weighted assets continue to be evaluated. Ongoing analysis confirms a multi-year timeframe is required. CWB's new core banking system, expected to be implemented in 2015, is a critical component for a number of requirements necessary for *AIRB* compliance, including the collection and analysis of certain types of data.

Further information relating to CWB's capital position is provided in Note 14 of the unaudited interim consolidated financial statements as well as the audited consolidated financial statements and MD&A for the year ended October 31, 2013.

Book value per common share at January 31, 2014 was $18.03, compared to $17.54 last quarter and $16.42 one year ago.

Common shareholders received a quarterly cash dividend of $0.19 per common share on January 9, 2014. On March 5, 2014, CWB's Board of Directors declared a cash dividend of $0.19 per common share, payable on March 27, 2014 to shareholders of record on March 17, 2014. This quarterly dividend was 12% higher than the quarterly dividend declared one year ago, and unchanged from the prior quarter. The Board of Directors also declared cash dividends of $0.453125 per Series 3 Preferred Share and $0.2381 per Series 5 Preferred Share payable on April 30, 2014 to shareholders of record on April 23, 2014. The pro-rated Series 5 cash dividend reflects closing of this issuance on February 10, 2014. CWB has received regulatory approval to fully redeem the outstanding Series 3 preferred shares on April 30, 2014.

Significant Changes in Accounting Policies

Consolidated Financial Statements

Effective November 1, 2013, CWB adopted IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosures of Interests in Other Entities*, which establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities, and new disclosure requirements for all forms of interests in other entities. As a result of the application of IFRS 10, CWB has changed its accounting policy for determining whether it has control over its investees and consequently, has de-consolidated Canadian Western Bank Capital Trust (the Trust) through which certain regulatory capital instruments are issued. The de-consolidation of the trust resulted in a $105 million (2013 – $105 million) decrease in CWB Capital Trust Capital Securities Series 1 (WesTS) previously classified as non-controlling interest and an increase of $105 million (2013 – $105 million) in deposit liabilities, and reclassification of the associated distribution, which totaled $1.7 million for the three months ended January 31, 2014 (2013 – $1.7 million) from non-controlling interest to interest expense. In accordance with the transitional provisions, CWB has applied IFRS 10 retrospectively and comparative figures have been restated to reflect the de-consolidation of the trust.

Fair value measurement

Effective November 1, 2013, CWB adopted IFRS 13 *Fair Value Measurement*, which applies to other IFRS standards that require or permit fair value measurements or disclosures about fair value measurements and sets out a framework on how to measure fair value using the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. In accordance with the transitional provisions of IFRS 13, CWB has applied the new fair value measurement guidance prospectively. This new standard had no impact on the measurement of CWB's assets and liabilities. Additional disclosures required by IFRS 13 are included in Note 12 of the consolidated financial statements.

Future Accounting Changes

A number of standards and amendments have been issued by the International Accounting Standards Board (IASB) and are noted on page 45 of the 2013 Annual Report. These standards and amendments may impact the presentation of financial statements in the future and management is currently reviewing these changes to determine the impact, if any.

CWB continues to monitor activities of the IASB as well as proposed changes to IFRS. Several accounting standards in the process of being amended by the IASB (e.g. loan impairment, leases and insurance) may have a significant impact on the presentation of CWB's consolidated financial statements in the future.

Controls and Procedures

There were no changes in CWB's internal controls over financial reporting that occurred during the quarter ended January 31, 2014 that have materially affected, or are reasonably likely to materially affect, CWB's internal controls over financial reporting.

CWB's certifying officers have limited the scope of design of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) to exclude the controls, policies and procedures of McLean & Partners, acquired in the third quarter of 2013. This limitation will be removed no later than April 30, 2014.

Prior to its release, this quarterly report to shareholders was reviewed by the Audit Committee and, on the Audit Committee's recommendation, approved by the Board of Directors of CWB.

Updated Share Information

As at February 28, 2014, there were 79,900,324 CWB common shares outstanding. Also outstanding were employee stock options, which are or will be exercisable for up to 4,506,083 common shares for maximum proceeds of $129 million.

Dividend Reinvestment Plan

CWB common shares (TSX: CWB), as well as Series 3 and Series 5 preferred shares (TSX: CWB.PR.A and TSX: CWB.PR.B, respectively) are deemed eligible to participate in CWB's dividend reinvestment plan (the Plan). The Plan provides holders of eligible shares the opportunity to direct cash dividends toward the purchase of CWB common shares. Further details for the Plan are available on CWB's website at www.cwb.com/investor_relations/drip. At the current time, for the purposes of the Plan, CWB has elected to issue common shares from treasury at a 2% discount from the average market price (as defined in the Plan).

Preferred Share Normal Course Issuer Bid

Prior to its expiration on February 28, 2014, CWB had a Normal Course Issuer Bid (NCIB) outstanding to purchase, for cancellation, up to 826,120 Non-Cumulative 5-Year Rate Reset Preferred Shares Series 3 ("preferred shares"). During the three months ended January 31, 2014, CWB did not purchase any preferred shares under the NCIB.

Summary of Quarterly Financial Information

	2014	2013(1)				2012(1)		
($ thousands)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenues (teb)	**$ 153,770**	$ 150,956	$ 144,034	$ 135,319	$ 135,431	$ 131,482	$ 136,454	$ 126,194
Total revenues	**151,680**	148,894	141,873	133,319	133,516	129,503	134,368	123,736
Net income	**56,749**	55,332	51,623	46,887	49,365	46,920	51,882	43,552
Net income available to common shareholders	**52,628**	51,210	47,484	42,988	45,482	43,046	48,004	39,669
Earnings per common								
Basic	**0.66**	0.64	0.60	0.54	0.58	0.55	0.62	0.52
Diluted	**0.65**	0.64	0.60	0.54	0.57	0.55	0.61	0.52
Adjusted cash	**0.67**	0.65	0.61	0.55	0.58	0.56	0.63	0.55
Total assets ($ millions)	**19,135**	18,520	17,927	17,779	17,161	16,873	16,033	15,713

(1) Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1 of the consolidated financial statements and within the Changes in Accounting Policies section of this MD&A. 2012 financial results have been restated for the purposes of this chart.

The financial results for each of the last eight quarters are summarized above. In general, CWB's performance reflects a relatively consistent trend, although the second quarter contains three fewer revenue-earning days, or two fewer days in a leap year such as 2012.

CWB's quarterly financial results are subject to some fluctuation due to its exposure to property and casualty insurance. Insurance operations, which are primarily reflected in other income, are subject to seasonal weather conditions, cyclical patterns of the industry and natural catastrophes.

Among other things, quarterly results can also fluctuate from the recognition of periodic income tax items.

For additional details on variations between the prior quarters, refer to the summary of quarterly results section of CWB's MD&A for the year ended October 31, 2013 and the individual quarterly reports to shareholders which are available on SEDAR at www.sedar.com and on CWB's website at www.cwb.com.

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 IFRS and, therefore, may not be comparable to similar measures presented by other financial institutions. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

CWB uses a number of financial measures to assess its performance. These measures provide readers with an enhanced understanding of how management views the results. Non-IFRS measures may also provide readers the ability to analyze trends and provide comparisons with our competitors. Taxable equivalent basis, adjusted cash earnings per common share, return on common shareholders' equity, return on assets, efficiency ratio, net interest margin, common equity Tier 1, Tier 1 and total capital adequacy ratios, and average balances do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other financial institutions. The non-IFRS measures used in this MD&A are calculated as follows:

- taxable equivalent basis – described above;
- adjusted cash earnings per common 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 contingent consideration (see calculation below). These exclusions represent non-cash charges and are not considered to be indicative of ongoing business performance;
- return on common shareholders' equity – annualized net income available to common shareholders divided by average common shareholders' equity;
- return on assets – annualized net income available to common shareholders divided by average total assets;
- efficiency ratio – non-interest expenses divided by total revenues excluding the non-tax deductible change in fair value of contingent consideration;
- net interest margin – net interest income divided by average total assets;
- Basel III common equity Tier 1, Tier 1 and total capital ratios – in accordance with guidelines issued by OSFI; and
- average balances – average daily balances.

Adjusted net income available to common shareholders	For the three months ended		
(unaudited) ($ thousands)	**January 31 2014**	October 31 2013	January 31 2013
Net income available to common shareholders	**$ 52,628**	$ 51,210	$ 45,482
Adjustments:			
Amortization of acquisition-related intangible assets (after tax)	**891**	877	731
Contingent consideration fair value change	**150**	-	-
Adjusted net income available to common shareholders	**$ 53,669**	$ 52,087	$ 46,213

Consolidated Balance Sheets

(unaudited) ($ thousands)		As at January 31 2014	As at October 31 2013[1]	As at January 31 2013[1]	Change from January 31 2013
Assets					
Cash Resources					
Cash and non-interest bearing deposits with financial institutions		**$ 273**	$ 83,856	$ 36,298	(99)%
Interest bearing deposits with regulated financial institutions	(Note 4)	**375,717**	258,466	170,998	120
Cheques and other items in transit		**7,288**	5,673	229	nm
		383,278	347,995	207,525	85
Securities	(Note 4)				
Issued or guaranteed by Canada		**734,924**	927,077	881,434	(17)
Issued or guaranteed by a province or municipality		**619,242**	410,984	537,782	15
Other securities		**858,776**	894,271	890,209	(4)
		2,212,942	2,232,332	2,309,425	(4)
Loans	(Notes 5 and 7)				
Personal		**2,602,391**	2,502,295	2,315,616	12
Business		**13,645,329**	13,160,384	12,059,864	13
		16,247,720	15,662,679	14,375,480	13
Allowance for credit losses	(Note 6)	**(91,354)**	(85,786)	(76,368)	20
		16,156,366	15,576,893	14,299,112	13
Other					
Property and equipment		**65,626**	66,647	63,915	3
Goodwill		**50,408**	49,424	45,536	11
Intangible assets		**72,767**	70,197	50,608	44
Insurance related		**63,637**	64,365	60,259	6
Derivative related	(Note 8)	**6,975**	4,509	2,776	151
Other assets		**123,491**	107,898	122,281	1
		382,904	363,040	345,375	11
Total Assets		**$ 19,135,490**	$ 18,520,260	$ 17,161,437	12 %
Liabilities and Equity					
Deposits					
Personal		**$ 9,632,095**	$ 9,420,754	$ 8,968,461	7 %
Business and government		**6,611,401**	6,210,286	5,277,978	25
		16,243,496	15,631,040	14,246,439	14
Other					
Cheques and other items in transit		**36,853**	55,290	43,479	(15)
Insurance related		**159,372**	167,816	154,606	3
Derivative related	(Note 8)	**82**	36	14	486
Securities sold under repurchase agreements		**-**	-	125,075	(100)
Other liabilities		**232,733**	238,939	224,498	4
		429,040	462,081	547,672	(22)
Debt					
Debt securities		**187,780**	195,650	185,661	1
Subordinated debentures		**625,000**	625,000	675,000	(7)
		812,780	820,650	860,661	(6)
Equity					
Preferred shares	(Note 9)	**208,815**	208,815	209,750	-
Common shares	(Note 9)	**518,010**	510,282	495,587	5
Retained earnings		**902,568**	865,087	765,392	18
Share-based payment reserve		**24,248**	24,632	22,943	6
Other reserves		**(4,670)**	(3,389)	12,766	nm
Total Shareholders' Equity		**1,648,971**	1,605,427	1,506,438	9
Non-controlling interests		**1,203**	1,062	227	430
Total Equity		**1,650,174**	1,606,489	1,506,665	10
Total Liabilities and Equity		**$ 19,135,490**	$ 18,520,260	$ 17,161,437	12 %

(1) Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1.

nm - not meaningful

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)		For the three months ended January 31 2014	October 31 2013[1]	January 31 2013[1]	Change from January 31 2013
Interest Income					
Loans		**$ 193,825**	$ 191,784	$ 179,041	8 %
Securities		**10,509**	10,934	11,224	(6)
Deposits with regulated financial institutions		**917**	492	437	110
		205,251	203,210	190,702	8
Interest Expense					
Deposits		**74,279**	72,499	71,912	3
Debt		**7,823**	7,998	7,653	2
		82,102	80,497	79,565	3
Net Interest Income		**123,149**	122,713	111,137	11
Provision for Credit Losses	(Note 6)	**7,619**	7,344	6,327	20
Net Interest Income after Provision for Credit Losses		**115,530**	115,369	104,810	10
Other Income					
Trust and wealth management services		**8,335**	7,272	5,043	65
Insurance, net	(Note 3)	**6,011**	7,101	5,202	16
Credit related		**5,987**	5,723	5,434	10
Gains on securities, net		**4,653**	2,338	2,662	75
Retail services		**2,770**	2,657	2,468	12
Foreign exchange gains		**809**	890	502	61
Contingent consideration fair value change		**(150)**	-	-	(100)
Other		**116**	200	1,068	(89)
		28,531	26,181	22,379	27
Net Interest and Other Income		**144,061**	141,550	127,189	13
Non-Interest Expenses					
Salaries and employee benefits		**45,891**	44,557	41,355	11
Premises and equipment		**11,381**	10,941	10,254	11
Other expenses		**12,163**	13,146	10,458	16
		69,435	68,644	62,067	12
Net Income before Income Taxes		**74,626**	72,906	65,122	15
Income Taxes		**17,877**	17,574	15,757	13
Net Income		**$ 56,749**	$ 55,332	$ 49,365	15 %
Net Income Attributable to Non-Controlling Interests		**336**	331	81	315
Net Income Attributable to Shareholders of CWB		**56,413**	55,001	49,284	14
Preferred share dividends		**3,785**	3,785	3,802	-
Premium paid on purchase of preferred shares for cancellation		**-**	6	-	-
Net Income Available to Common Shareholders		**$ 52,628**	$ 51,210	$ 45,482	16 %
Average number of common shares (in thousands)		**79,724**	79,463	78,801	1
Average number of diluted common shares (in thousands)		**80,514**	79,879	79,266	2
Earnings Per Common Share					
Basic		**$ 0.66**	$ 0.64	$ 0.58	14 %
Diluted		**0.65**	0.64	0.57	14

[1] Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1.

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended **January 31 2014**	January 31 2013[1]
Net Income	**$ 56,749**	$ 49,365
Other Comprehensive Income (Loss), net of tax		
Available-for-sale securities:		
Gains from change in fair value[2]	**2,058**	5,324
Reclassification to net income[3]	**(3,524)**	(1,942)
	(1,466)	3,382
Derivatives designated as cash flow hedges:		
Gains from change in fair value[4]	**1,804**	618
Reclassification to net income[5]	**(1,619)**	(481)
	185	137
	(1,281)	3,519
Comprehensive Income for the Period	**$ 55,468**	$ 52,884
Comprehensive income for the period attributable to:		
Shareholders of CWB	**$ 55,132**	$ 52,803
Non-controlling interests	**336**	81
Comprehensive Income for the Period	**$ 55,468**	$ 52,884

(1) Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1.
(2) Net of income tax of $709 (2013 - $1,989).
(3) Net of income tax of $1,129 (2013 - $720).
(4) Net of income tax of $609 (2013 - $207).
(5) Net of income tax of $547 (2013 - $161).

Items presented in other comprehensive income will be subsequently reclassified to the Consolidated Statement of Income when specific conditions are met.

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)		For the three months ended **January 31 2014**	January 31 2013[1]
Retained Earnings			
Balance at beginning of period		**$ 865,087**	$ 733,298
Net income attributable to shareholders of CWB		**56,413**	49,284
Dividends – Preferred shares		**(3,785)**	(3,802)
– Common shares		**(15,147)**	(13,388)
Balance at end of period		**902,568**	765,392
Other Reserves			
Balance at beginning of period		**(3,389)**	9,247
Changes in available-for-sale securities		**(1,466)**	3,382
Changes in derivatives designated as cash flow hedges		**185**	137
Balance at end of period		**(4,670)**	12,766
Preferred Shares	(Note 9)		
Balance at beginning and end of period		**208,815**	209,750
Common Shares	(Note 9)		
Balance at beginning of period		**510,282**	490,218
Issued under dividend reinvestment plan		**4,802**	3,761
Transferred from share-based payment reserve on the exercise or exchange of options		**1,891**	983
Issued on exercise of options		**1,035**	625
Balance at end of period		**518,010**	495,587
Share-based Payment Reserve			
Balance at beginning of period		**24,632**	22,468
Amortization of fair value of options	(Note 10)	**1,507**	1,458
Transferred to common shares on the exercise or exchange of options		**(1,891)**	(983)
Balance at end of period		**24,248**	22,943
Total Shareholders' Equity		**1,648,971**	1,506,438
Non-Controlling Interests			
Balance at beginning of period		**1,062**	244
Net income attributable to non-controlling interests		**336**	81
Dividends to non-controlling interests		**(98)**	(98)
Partial ownership increase		**(97)**	-
Balance at end of period		**1,203**	227
Total Equity		**$ 1,650,174**	$ 1,506,665

(1) Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1.

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated Statements of Cash Flow

(unaudited) ($ thousands)		For the three months ended **January 31 2014**	January 31 2013[1]
Cash Flows from Operating Activities			
Net income		**$ 56,749**	$ 49,365
Adjustments to determine net cash flows:			
Provision for credit losses		**7,619**	6,327
Depreciation and amortization		**5,677**	5,159
Current income taxes receivable and payable		**(6,315)**	(9,521)
Amortization of fair value of employee stock options	(Note 10)	**1,507**	1,458
Accrued interest receivable and payable, net		**3,755**	(1,118)
Deferred income taxes, net		**(4,264)**	(354)
Gain on securities, net		**(4,653)**	(2,662)
Change in operating assets and liabilities:			
Deposits, net		**612,456**	(3,398)
Loans, net		**(587,093)**	(351,753)
Securities sold under repurchase agreements, net		**-**	54,986
Other items, net		**(30,642)**	(11,446)
		54,796	(262,957)
Cash Flows from Financing Activities			
Common shares issued	(Note 9)	**5,837**	4,386
Debt securities issued		**16,659**	-
Debt securities repaid		**(24,529)**	(23,611)
Dividends		**(18,932)**	(17,190)
Distributions to non-controlling interests		**(98)**	(98)
Debentures issued		**-**	250,000
		(21,063)	213,487
Cash Flows from Investing Activities			
Interest bearing deposits with regulated financial institutions, net		**(116,896)**	6,025
Securities, purchased		**(1,656,814)**	(1,703,525)
Securities, sale proceeds		**1,106,869**	1,228,771
Securities, matured		**577,277**	507,020
Property, equipment and intangible assets		**(7,700)**	(1,699)
		(97,264)	36,592
Change in Cash and Cash Equivalents		**(63,531)**	(12,878)
Cash and Cash Equivalents at Beginning of Period		**34,239**	5,926
Cash and Cash Equivalents at End of Period *		**$ (29,292)**	$ (6,952)
* Represented by:			
Cash and non-interest bearing deposits with financial institutions		**$ 273**	$ 36,298
Cheques and other items in transit (included in Cash Resources)		**7,288**	229
Cheques and other items in transit (included in Other Liabilities)		**(36,853)**	(43,479)
Cash and Cash Equivalents at End of Period		**$ (29,292)**	$ (6,952)
Supplemental Disclosure of Cash Flow Information			
Interest and dividends received		**$ 210,079**	$ 199,621
Interest paid		**80,001**	81,726
Income taxes paid		**28,456**	25,481

[1] Effective November 1, 2013, CWB retrospectively adopted IFRS 10 *Consolidated Financial Statements* as described in Note 1.

The accompanying notes are an integral part of the interim consolidated financial statements.

(unaudited)
($ thousands, except per share amounts)

1. Basis of Presentation and Significant Accounting Policies

These unaudited condensed interim consolidated financial statements of Canadian Western Bank (CWB) have been prepared in accordance with International Accounting Standard (IAS) 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) using the same accounting policies as the audited consolidated financial statements for the year ended October 31, 2013, except as noted below. These interim consolidated financial statements of CWB, domiciled in Canada, have also been prepared in accordance with subsection 308 (4) of the Bank Act and the accounting requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI). Under International Financial Reporting Standards (IFRS), additional disclosures are required in annual financial statements and accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2013 as set out on pages 62 to 102 of CWB's 2013 Annual Report.

The interim consolidated financial statements were authorized for issue by the Board of Directors on March 5, 2014.

Significant Changes in Accounting Policies

Consolidated Financial Statements

Effective November 1, 2013, CWB adopted IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosures of Interests in Other Entities*, which establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities, and new disclosure requirements for all forms of interests in other entities. As a result of the application of IFRS 10, CWB has changed its accounting policy for determining whether it has control over its investees and consequently, has de-consolidated Canadian Western Bank Capital Trust (the Trust) through which certain regulatory capital instruments are issued. The de-consolidation of the trust resulted in a $105,000 (2013 – $105,000) decrease in CWB Capital Trust Capital Securities Series 1 (WesTS) previously classified as non-controlling interest and an increase of $105,000 (2013 – $105,000) in deposit liabilities, and reclassification of the associated distribution, which totaled $1,697 for the three months ended January 31, 2014 (2013 – $1,697), from non-controlling interest to interest expense. In accordance with the transitional provisions, CWB has applied IFRS 10 retrospectively and comparative figures have been restated to reflect the de-consolidation of the trust. Additional information on Canadian Western Bank Capital Trust is discussed in Note 19 of CWB's audited consolidated financial statements for the year ended October 31, 2013.

Fair value measurement

Effective November 1, 2013, CWB adopted IFRS 13 *Fair Value Measurement*, which applies to other IFRS standards that require or permit fair value measurements or disclosures about fair value measurements and sets out a framework on how to measure fair value using the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. In accordance with the transitional provisions of IFRS 13, CWB has applied the new fair value measurement guidance prospectively. This new standard had no impact on the measurement of CWB's assets and liabilities. Additional disclosures required by IFRS 13 are included in Note 12.

2. Future Accounting Changes

CWB continues to monitor the IASB's proposed changes to accounting standards. Although not expected to materially impact CWB's 2014 consolidated financial statements, these proposed changes may have a significant impact on future financial statements. Additional discussion on certain accounting standards that may impact CWB is included in the audited consolidated financial statements within CWB's 2013 Annual Report.

3. Insurance Revenues, Net

Insurance revenues, net, as reported in other income on the consolidated statement of income are presented net of net claims and adjustment expenses, and policy acquisition costs.

	For the three months ended		
	January 31 2014	October 31 2013	January 31 2013
Net earned premiums	**$ 32,619**	$ 32,507	$ 31,495
Commissions and processing fees	**425**	458	437
Net claims and adjustment expenses	**(21,252)**	(19,785)	(20,685)
Policy acquisition costs	**(5,781)**	(6,079)	(6,045)
Total, net	**$ 6,011**	$ 7,101	$ 5,202

4. Securities

Net unrealized gains (losses) reflected on the balance sheet follow:

	As at January 31 2014	As at October 31 2013	As at January 31 2013
Interest bearing deposits with regulated financial institutions	**$ 822**	$ 569	$ 471
Securities issued or guaranteed by			
Canada	**424**	632	157
A province or municipality	**(70)**	161	(60)
Other debt securities	**1,455**	1,180	1,605
Equity securities			
Preferred shares	**(15,923)**	(16,301)	8,411
Common shares	**4,459**	6,657	5,422
Unrealized gains (losses), net	**$ (8,833)**	$ (7,102)	$ 16,006

The securities portfolio is primarily comprised of high quality debt instruments, preferred shares and common shares that are not held for trading purposes and, where applicable, are typically held until maturity. Fluctuations in value are generally attributed to changes in interest rates, market credit spreads and shifts in the interest rate curve. Volatility in equity markets also leads to fluctuations in value, particularly for common shares. For the three months ended January 31, 2014, CWB assessed the securities with unrealized losses and, based on available objective evidence, no impairment charges (2013 – nil) were included in gains on securities, net.

5. Loans

The composition of CWB's loan portfolio by geographic region and industry sector follows:

($ millions)	BC	AB	ON	SK	MB	Other	Total	Composition Percentage January 31 2014	October 31 2013	January 31 2013
Personal	$ 854	$ 1,060	$ 451	$ 165	$ 71	$ 1	$ 2,602	16 %	16 %	16 %
Business										
Real estate	2,710	2,436	426	420	132	9	6,133	38	37	36
Commercial	1,475	1,923	356	216	110	119	4,199	26	26	28
Equipment financing and energy[1]	567	1,394	592	279	113	369	3,314	20	21	20
	4,752	5,753	1,374	915	355	497	13,646	84	84	84
Total Loans[2]	$ 5,606	$ 6,813	$ 1,825	$ 1,080	$ 426	$ 498	$ 16,248	100 %	100 %	100 %
Composition Percentage										
January 31, 2014	35 %	42 %	11 %	7 %	2 %	3 %	100 %			
October 31, 2013	35 %	42 %	11 %	7 %	2 %	3 %	100 %			
January 31, 2013	34 %	44 %	11 %	6 %	2 %	3 %	100 %			

(1) Includes securitized leases reported on-balance sheet of $223 (October 31, 2013 – $230; January 31, 2013 – $214).
(2) This table does not include an allocation for credit losses.

6. Allowance for Credit Losses

The following table shows the changes in the allowance for credit losses:

	For the three months ended January 31, 2014			For the three months ended October 31, 2013		
	Specific Allowance	**Collective Allowance for Credit Losses**	**Total**	Specific Allowance	Collective Allowance for Credit Losses	Total
Balance at beginning of period	**$ 9,569**	**$ 76,217**	**$ 85,786**	$ 12,565	$ 71,924	$ 84,489
Provision for credit losses	**5,239**	**2,380**	**7,619**	3,051	4,293	7,344
Write-offs	**(2,453)**	**-**	**(2,453)**	(6,521)	-	(6,521)
Recoveries	**402**	**-**	**402**	474	-	474
Balance at end of period	**$ 12,757**	**$ 78,597**	**$ 91,354**	$ 9,569	$ 76,217	$ 85,786

	For the three months ended January 31, 2013		
	Specific Allowance	Collective Allowance for Credit Losses	Total
Balance at beginning of period	$ 14,379	$ 67,344	$ 81,723
Provision for credit losses	3,970	2,357	6,327
Write-offs	(13,172)	-	(13,172)
Recoveries	1,490	-	1,490
Balance at end of period	$ 6,667	$ 69,701	$ 76,368

7. Impaired and Past Due Loans

Outstanding gross loans and impaired loans, net of allowance for credit losses, by loan type, are as follows:

	As at January 31, 2014				As at October 31, 2013			
	Gross Amount	**Gross Impaired Amount**	**Specific Allowance**	**Net Impaired Loans**	Gross Amount	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Personal	**$ 2,602,391**	**$ 15,561**	**$ 507**	**$ 15,054**	$ 2,502,295	$ 17,052	$ 748	$ 16,304
Business								
Real estate[1]	**6,132,790**	**23,226**	**7,476**	**15,750**	5,829,225	31,937	6,349	25,588
Commercial	**4,198,341**	**3,801**	**221**	**3,580**	4,091,371	4,612	293	4,319
Equipment financing and energy	**3,314,198**	**11,349**	**4,553**	**6,796**	3,239,788	10,610	2,179	8,431
Total[2]	**$ 16,247,720**	**$ 53,937**	**$ 12,757**	**41,180**	$ 15,662,679	$ 64,211	$ 9,569	54,642
Collective allowance[3]				**(78,597)**				(76,217)
Net impaired loans after collective allowance				**$ (37,417)**				$ (21,575)

	As at January 31, 2013			
	Gross Amount	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Personal	$ 2,315,616	$ 14,999	$ 530	$ 14,469
Business				
Real estate[1]	5,226,547	16,954	1,253	15,701
Commercial	3,930,144	15,098	1,005	14,093
Equipment financing and energy	2,903,173	8,683	3,879	4,804
Total[2]	$ 14,375,480	$ 55,734	$ 6,667	49,067
Collective allowance[3]				(69,701)
Net impaired loans after collective allowance				$ (20,634)

(1) Multi-family residential mortgages are included in real estate loans.
(2) Gross impaired loans include foreclosed assets with a carrying value of $5,014 (October 31, 2013 – $12,407 and January 31, 2013 – $9,160) which are held for sale. CWB pursues timely realization on foreclosed assets and does not use the assets for its own operations.
(3) The collective allowance for credit risk is not allocated by loan type.

Outstanding impaired loans, net of allowance for credit losses, by provincial location of security, are as follows:

	As at January 31, 2014			As at October 31, 2013		
	Gross Impaired Amount	**Specific Allowance**	**Net Impaired Loans**	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Alberta	**$ 29,764**	**$ 10,168**	**$ 19,596**	$ 38,886	$ 7,475	$ 31,411
British Columbia	**14,920**	**406**	**14,514**	17,904	476	17,428
Ontario	**5,084**	**954**	**4,130**	2,886	728	2,158
Saskatchewan	**2,329**	**505**	**1,824**	1,861	381	1,480
Manitoba	**715**	**196**	**519**	1,214	146	1,068
Other	**1,125**	**528**	**597**	1,460	363	1,097
Total	**$ 53,937**	**$ 12,757**	**41,180**	$ 64,211	$ 9,569	54,642
Collective allowance[1]			**(78,597)**			(76,217)
Net impaired loans after collective allowance			**$ (37,417)**			$ (21,575)

	As at January 31, 2013		
	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Alberta	$ 23,576	$ 3,159	$ 20,417
British Columbia	23,576	848	22,728
Ontario	4,672	1,347	3,325
Saskatchewan	1,877	455	1,422
Manitoba	463	205	258
Other	1,570	653	917
Total	$ 55,734	$ 6,667	49,067
Collective allowance[1]			(69,701)
Net impaired loans after collective allowance			$ (20,634)

(1) The collective allowance for credit risk is not allocated by province.

Gross impaired loans exclude certain past due loans where payment of interest or principal is contractually in arrears. Details of such past due loans that have not been included in the gross impaired amount are as follows:

	As at January 31, 2014				
	1 – 30 days	**31 – 60 days**	**61 – 90 days**	**More than 90 days**	**Total**
Personal	**$ 8,292**	**$ 12,168**	**$ 1,208**	**$ 1,897**	**$ 23,565**
Business	**28,784**	**16,812**	**16,283**	**-**	**61,879**
	$ 37,076	**$ 28,980**	**$ 17,491**	**$ 1,897**	**$ 85,444**
Total as at October 31, 2013	$ 24,710	$ 48,102	$ 2,075	$ 2,400	$ 77,287
Total as at January 31, 2013	$ 30,859	$ 26,340	$ 4,729	$ 11,913	$ 73,841

8. Derivative Financial Instruments

CWB designates certain derivative financial instruments as either a hedge of the fair value of recognized assets or liabilities or firm commitments (fair value hedges), or a hedge of highly probable future cash flows attributable to a recognized asset or liability or a forecasted transaction (cash flow hedges). On an ongoing basis, the derivatives used in hedging transactions are assessed to determine whether they are effective in offsetting changes in fair values or cash flows of the hedged items. If a hedging transaction becomes ineffective or if the derivative is not designated as a cash flow hedge, any subsequent change in the fair value of the hedging instrument is recognized in net income.

For the three months ended January 31, 2014, $1,804 of net unrealized after tax gains (2013 – $618) were recorded in other comprehensive income for changes in fair value of the effective portion of equity and interest rate swap derivatives designated as cash flow hedges, and no amounts (2013 – $nil) were recorded in other income for changes in fair value of the ineffective portion of derivatives classified as cash flow hedges. Amounts accumulated in other comprehensive income are reclassified to net income in the same period that the hedged item affects income. For the three months ended January 31, 2014, $1,619 of net gains after tax (2013 – $481) were reclassified to net income.

The following table shows the notional value outstanding for derivative financial instruments and the related fair value:

	As at January 31, 2014			As at October 31, 2013		
	Notional Amount	**Positive Fair Value**	**Negative Fair Value**	Notional Amount	Positive Fair Value	Negative Fair Value
Interest rate swaps designated as hedges[1]	**$ 700,000**	**$ 763**	**$ 26**	$ 800,000	$ 367	$ 32
Equity swaps designated as hedges[2]	**17,470**	**6,142**	**-**	17,470	4,131	-
Foreign exchange contracts[3]	**4,134**	**70**	**56**	1,235	11	4
Derivative related amounts	**$ 721,604**	**$ 6,975**	**$ 82**	$ 818,705	$ 4,509	$ 36

	As at January 31, 2013		
	Notional Amount	Positive Fair Value	Negative Fair Value
Interest rate swaps designated as hedges	$ 350,000	$ 147	$ 7
Equity swaps designated as hedges	15,445	2,610	-
Foreign exchange contracts	3,746	19	7
Derivative related amounts	$ 369,191	$ 2,776	$ 14

(1) Interest rate swaps designated as hedges outstanding at January 31, 2014 mature between April 2014 and May 2015.
(2) Equity swaps designated as hedges outstanding at January 31, 2014 mature between June 2014 and June 2016.
(3) Foreign exchange contracts outstanding at January 31, 2014 mature between February and April 2014.

There were no forecasted transactions that failed to occur during the three months ended January 31, 2014.

9. Capital Stock

Share Capital

	For the three months ended			
	January 31, 2014		January 31, 2013	
	Number of Shares	**Amount**	Number of Shares	Amount
Preferred Shares - Series 3				
Outstanding at beginning and end of period[1]	**8,352,596**	**$ 208,815**	8,390,000	$ 209,750
Common Shares				
Outstanding at beginning of period	**79,619,595**	**510,282**	78,742,812	490,218
Issued under dividend reinvestment plan[2]	**127,081**	**4,802**	133,439	3,761
Issued on exercise or exchange of options	**150,681**	**1,035**	115,645	625
Transferred from share-based payment reserve on exercise or exchange of options	**-**	**1,891**	-	983
Outstanding at end of period	**79,897,357**	**518,010**	78,991,896	495,587
Share Capital		**$ 726,825**		$ 705,337

(1) Holders of the Preferred Shares – Series 3 are entitled to receive non-cumulative quarterly fixed dividends for the initial five-year period ending April 30, 2014 of 7.25% per annum, payable quarterly, as and when declared.
(2) Shares were issued at a 2% discount from the average closing price of the five trading days preceding the dividend payment date.

Subsequent to quarter end, CWB received regulatory approval to redeem the currently outstanding Preferred Shares – Series 3 and intends to proceed with full redemption on April 30, 2014.

10. Share-based Payments

Stock Options

	For the three months ended			
	January 31, 2014		January 31, 2013	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Options				
Balance at beginning of period	**4,217,908**	**$ 26.96**	3,441,100	$ 24.51
Granted	**623,320**	**37.50**	824,667	28.09
Exercised or exchanged	**(298,406)**	**22.00**	(236,526)	18.19
Expired	**-**	**-**	(162,075)	31.18
Forfeited	**(18,219)**	**29.02**	(9,852)	27.88
Balance at end of period	**4,524,603**	**$ 28.73**	3,857,314	$ 25.37

The terms of the share incentive plan allow the holders of vested options a cashless settlement alternative whereby the option holder can either (i) elect to receive shares by delivering cash to CWB in the amount of the option exercise price or (ii) elect to receive the number of shares equivalent to the excess of the market value of the shares under option, determined at the exercise date, over the exercise price (cashless settlement). Effective March 1, 2014, all options exercised will be settled via cashless settlement. Of the 298,406 (2013 – 236,526) options exercised or exchanged in the three months ended January 31, 2014, option holders exchanged the rights to 252,901 (2013 – 203,281) options and received 105,176 (2013 – 82,400) shares in return under the cashless settlement alternative.

For the three months ended January 31, 2014, salary expense of $1,507 (2013 – $1,458) was recognized relating to the estimated fair value of options granted. The fair value of options granted was estimated using a binomial option pricing model with the following variables and assumptions: (i) risk-free interest rate of 1.5% (2013 – 1.4%), (ii) expected option life of 4.0 (2013 – 4.0) years, (iii) expected annual volatility of 19% (2013 – 25%), and (iv) expected annual dividends of 2.0% (2013 – 2.5%). The weighted average fair value of options granted was estimated at $5.19 (2013 – $4.61) per share.

Further details relating to stock options outstanding and exercisable at January 31, 2014 follow:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
$16.89 to $23.43	293,424	1.0	$ 21.54	293,424	$ 21.54
$25.46 to $29.42	3,263,056	3.6	37.49	278,101	29.42
$30.75 to $37.50	968,123	3.6	35.08	-	-
Total	4,524,603	3.4	$ 28.73	571,525	$ 25.38

Performance Share Units

During the quarter, CWB introduced a Performance Share Unit (PSU) plan, which is offered to certain employees on an annual basis. At the time of a grant, each PSU represents a unit with an underlying value equivalent to the value of a CWB common share. Notional dividends accrue to the holder of the PSU during the life of the PSU. Under the PSU Plan, each PSU vests at the end of a three year period and is settled in cash.

For PSUs granted in fiscal 2014, at the end of each specified performance period, a multiplier is applied to a portion of the PSUs originally granted and any accrued notional dividends such that the total value of the PSUs may vary from 0% to 200% of the value of an equal number of CWB common shares. The multiplier is determined by comparing the total shareholder return (TSR) of CWB's common shares against the TSR of comparator companies during various performance periods.

11. Contingent Liabilities and Commitments

In the normal course of business, CWB enters into various commitments and has contingent liabilities, which are not reflected in the consolidated balance sheets. At January 31, 2014, these items include guarantees and standby letters of credit of $379,938 (October 31, 2013 - $354,083). Significant contingent liabilities and commitments, including guarantees provided to third parties, are discussed in Note 20 of CWB's audited consolidated financial statements for the year ended October 31, 2013 (see page 89 of the 2013 Annual Report).

In the ordinary course of business, CWB and its subsidiaries are party to legal proceedings. Based on current knowledge, CWB does not expect the outcome of any of these proceedings to have a material effect on the consolidated financial position or results of operations.

12. Fair Value of Financial Instruments

Financial Assets and Liabilities by Measurement Basis

The table below provides the carrying amount of financial instruments by category as defined in IAS 39 – *Financial Instruments: Recognition and Measurement* and by balance sheet heading. The table does not include assets and liabilities that are not considered financial instruments.

As at January 31, 2014	**Derivatives**	**Loans and Receivables and Non-trading Liabilities**	**Available-for-sale**	**Total Carrying Amount**	**Fair Value**	**Fair Value Over (Under) Carrying Amount**
Financial Assets						
Cash resources	$ -	$ -	$ 383,278	$ 383,278	$ 383,278	$ -
Securities	-	-	2,212,942	2,212,942	2,212,942	-
Loans [1]	-	16,231,199	-	16,231,199	16,251,002	19,803
Other assets [2]	-	131,331	-	131,331	131,331	-
Derivative related	6,975	-	-	6,975	6,975	-
Total Financial Assets	$ 6,975	$ 16,362,530	$ 2,596,220	$ 18,965,725	$ 18,985,528	$ 19,803
Financial Liabilities						
Deposits [1]	$ -	$ 16,266,090	$ -	$ 16,266,090	$ 16,306,007	$ 39,917
Other liabilities [3]	-	340,292	-	340,292	340,292	-
Debt	-	812,780	-	812,780	835,131	22,351
Derivative related	82	-	-	82	82	-
Total Financial Liabilities	$ 82	$ 17,419,162	$ -	$ 17,419,244	$ 17,481,512	$ 62,268

As at October 31, 2013	Derivatives	Loans and Receivables and Non-trading Liabilities	Available-for-sale	Total Carrying Amount	Fair Value	Fair Value Over (Under) Carrying Amount
Financial Assets						
Cash resources	$ -	$ -	$ 347,995	$ 347,995	$ 347,995	$ -
Securities	-	-	2,232,332	2,232,332	2,232,332	-
Loans [1]	-	15,629,443	-	15,629,443	15,614,937	(14,506)
Other assets [2]	-	120,845	-	120,845	120,845	-
Derivative related	4,509	-	-	4,509	4,509	-
Total Financial Assets	$ 4,509	$ 15,750,288	$ 2,580,327	$ 18,335,124	$ 18,320,618	$ (14,506)
Financial Liabilities						
Deposits [1]	$ -	$ 15,646,831	$ -	$ 15,646,831	$ 15,665,041	$ 18,210
Other liabilities [3]	-	366,694	-	366,694	366,694	-
Debt	-	820,650	-	820,650	835,639	14,989
Derivative related	36	-	-	36	36	-
Total Financial Liabilities	$ 36	$ 16,834,175	$ -	$ 16,834,211	$ 16,867,410	$ 33,199

As at January 31, 2013	Derivatives	Loans and Receivables and Non-trading Liabilities	Available-for-sale	Total Carrying Amount	Fair Value	Fair Value Over (Under) Carrying Amount
Financial Assets						
Cash resources	$ -	$ -	$ 207,525	$ 207,525	$ 207,525	$ -
Securities	-	-	2,309,425	2,309,425	2,309,425	-
Loans [1]	-	14,367,372	-	14,367,372	14,417,873	50,501
Other assets [2]	-	129,231	-	129,231	129,231	-
Derivative related	2,776	-	-	2,776	2,776	-
Total Financial Assets	$ 2,776	$ 14,496,603	$ 2,516,950	$ 17,016,329	$ 17,066,830	$ 50,501
Financial Liabilities						
Deposits [1]	$ -	$ 14,260,809	$ -	$ 14,260,809	$ 14,318,607	$ 57,798
Other liabilities [3]	-	340,265	-	340,265	340,265	-
Securities sold under repurchase agreements	-	125,075	-	125,075	125,075	-
Debt	-	860,661	-	860,661	882,774	22,113
Derivative related	14	-	-	14	14	-
Total Financial Liabilities	$ 14	$ 15,586,810	$ -	$ 15,586,824	$ 15,666,735	$ 79,911

(1) Loans and deposits exclude deferred premiums and deferred revenue, which are not financial instruments.
(2) Other assets exclude property and equipment, goodwill and other intangible assets, reinsurers' share of unpaid claims and adjustment expenses, deferred tax asset, prepaid and deferred expenses, financing costs and other items that are not financial instruments.
(3) Other liabilities exclude deferred tax liability, deferred revenue, unearned insurance premiums and other items that are not financial instruments.

Fair values are based on management's best estimates based on market conditions and pricing policies at a certain point in time. The estimates are subjective and involve particular assumptions and matters of judgment and, as such, may not be reflective of future fair values. Further information on how the fair value of financial instruments is determined is included in Note 29 of the October 31, 2013 consolidated audited financial statements (see page 97 of the 2013 Annual Report).

Fair Value Hierarchy

CWB categorizes its fair value measurements of financial instruments recorded on the consolidated balance sheets according to a three-level hierarchy. Level 1 fair value measurements reflect published market prices quoted in active markets. Level 2 fair value measurements were estimated using a valuation technique based on observable market data. Level 3 fair value measurements were determined using a valuation technique based on unobservable market data. There were no transfers between Level 1 and Level 2 during the three months ended January 31, 2014.

Further information on how the fair value of financial instruments is determined is included in Note 29 of the October 31, 2013 consolidated audited financial statements (see page 97 of the 2013 Annual Report).

The following table presents CWB's financial assets and liabilities that are carried at fair value, categorized by level under the fair value hierarchy:

				Valuation Technique				
As at January 31, 2014		**Fair Value**		**Level 1**		**Level 2**		**Level 3**
Financial assets								
Cash resources	**$**	**383,278**	**$**	**347,040**	**$**	**36,238**	**$**	**-**
Securities		**2,212,942**		**2,212,942**		**-**		**-**
Derivative related		**6,975**		**-**		**6,975**		**-**
	$	**2,603,195**	**$**	**2,559,982**	**$**	**43,213**	**$**	**-**
Financial liabilities								
Other liability (1)	**$**	**1,829**	**$**	**-**	**$**	**-**	**$**	**1,829**
Derivative related		**82**		**-**		**82**		**-**
	$	**1,911**	**$**	**-**	**$**	**82**	**$**	**1,829**

				Valuation Technique				
As at October 31, 2013		Fair Value		Level 1		Level 2		Level 3
Financial assets								
Cash resources	$	347,995	$	300,995	$	47,000	$	-
Securities		2,232,332		2,232,332		-		-
Derivative related		4,509		-		4,509		-
	$	2,584,836	$	2,533,317	$	51,509	$	-
Financial liabilities								
Other liability	$	1,679	$	-	$	-	$	1,679
Derivative related		36		-		36		-
	$	1,715	$	-	$	36	$	1,679

				Valuation Technique				
As at January 31, 2013		Fair Value		Level 1		Level 2		Level 3
Financial assets								
Cash resources	$	207,525	$	207,525	$	-	$	-
Securities		2,309,425		2,309,425		-		-
Securities purchased under resale agreements		2,776		-		2,776		-
	$	2,519,726	$	2,516,950	$	2,776	$	-
Financial liabilities								
Securities sold under repurchase agreements	$	125,075	$	-	$	125,075	$	-
Derivative related		14		-		14		-
	$	125,089	$	-	$	125,089	$	-

(1) Level 3 financial instruments are comprised of the contingent consideration related to the acquisition of McLean & Partners Wealth Management Ltd.

Financial instruments that are not carried on the balance sheet at fair value include loans, deposits and debt. Based on the inputs used to calculate fair values disclosed above, these financial instruments are classified as Level 2 in the fair value hierarchy.

Level 3 Financial Instruments

The Level 3 financial instrument are comprised of the contingent consideration related to a subsidiary acquisition. The following table shows a reconciliation of the fair value measurements related to the Level 3 valued instrument:

	For the three months ended January 31			
		2014		2013
Balance at beginning of period	**$**	**1,679**	$	-
Change in fair value charged to other income		**150**		-
Balance at end of period	**$**	**1,829**	$	-

13. Interest Rate Sensitivity

CWB's exposure to interest rate risk as a result of a difference or gap between the maturity or repricing behavior of interest sensitive assets and liabilities, including derivative financial instruments, is discussed in Note 28 of the audited consolidated financial statements for the year ended October 31, 2013 (see page 96 of the 2013 Annual Report). The following table shows the gap position for selected time intervals.

Asset Liability Gap Positions

($ millions)	Floating Rate and Within 1 Month	1 to 3 Months	3 Months to 1 Year	Total Within 1 Year	1 Year to 5 Years	More than 5 Years	Non-interest Sensitive	Total
January 31, 2014								
Assets								
Cash resources and securities	$ 478	$ 813	$ 529	$ 1,820	$ 566	$ 176	$ 34	$ 2,596
Loans	7,440	701	2,242	10,383	5,709	139	(75)	16,156
Other assets	-	-	-	-	-	-	383	383
Derivative financial instruments[1]	-	25	434	459	259	-	4	722
Total	7,918	1,539	3,205	12,662	6,534	315	346	19,857
Liabilities and Equity								
Deposits	5,897	1,351	3,964	11,212	5,054	-	(23)	16,243
Other liabilities	4	8	35	47	32	10	340	429
Debt	7	16	66	89	474	250	-	813
Equity	-	-	-	-	-	-	1,650	1,650
Derivative financial instruments[1]	718	-	-	718	-	-	4	722
Total	6,626	1,375	4,065	12,066	5,560	260	1,971	19,857
Interest Rate Sensitive Gap	$ 1,292	$ 164	$ (860)	$ 596	$ 974	$ 55	$ (1,625)	$ -
Cumulative Gap	$ 1,292	$ 1,456	$ 596	$ 596	$ 1,570	$ 1,625	$ -	$ -
Cumulative Gap as a Percentage of Total Assets	6.5 %	7.3 %	3.0 %	3.0 %	7.9 %	8.2 %	- %	- %
October 31, 2013								
Cumulative Gap	$ 1,289	$ 1,785	$ 240	$ 240	$ 1,499	$ 1,541	$ -	$ -
Cumulative Gap as a Percentage of Total Assets	6.7 %	9.2 %	1.2 %	1.2 %	7.8 %	8.0 %	- %	- %
January 31, 2013								
Cumulative Gap	$ 1,386	$ 1,256	$ 912	$ 912	$ 1,473	$ 1,453	$ -	$ -
Cumulative Gap as a Percentage of Total Assets	7.9 %	7.2 %	5.2 %	5.2 %	8.4 %	8.3 %	- %	- %

(1) Derivative financial instruments are included in this table at the notional amount.
(2) Accrued interest is excluded in calculating interest sensitive assets and liabilities.
(3) Potential prepayments of fixed rate loans and early redemption of redeemable fixed term deposits have not been estimated. Redemptions of fixed term deposits where depositors have this option are not expected to be material. The majority of fixed rate loans, mortgages and leases are either closed or carry prepayment penalties.

The effective, weighted average interest rates of financial assets and liabilities are shown below:

January 31, 2014	Floating Rate and Within 1 Month	1 to 3 Months	3 Months to 1 Year	Total Within 1 Year	1 Year to 5 Years	More than 5 Years	Total
Total assets	3.7 %	2.5 %	4.0 %	3.6 %	4.5 %	4.7 %	4.0 %
Total liabilities	1.3	1.8	2.0	1.6	2.5	3.3	1.9
Interest rate sensitive gap	2.4 %	0.7 %	2.0 %	2.0 %	2.0 %	1.4 %	2.1 %
October 31, 2013							
Total assets	3.8 %	2.3 %	4.0 %	3.6 %	4.6 %	4.8 %	4.0 %
Total liabilities	1.3	1.9	2.0	1.6	2.4	3.3	1.9
Interest rate sensitive gap	2.5 %	0.4 %	2.0 %	2.0 %	2.2 %	1.5 %	2.1 %
January 31, 2013							
Total assets	3.8 %	2.5 %	3.7 %	3.6 %	5.0 %	5.0 %	4.0 %
Total liabilities	1.3	2.0	2.3	1.7	2.5	3.3	2.0
Interest rate sensitive gap	2.5 %	0.5 %	1.4 %	1.9 %	2.5 %	1.7 %	2.0 %

Based on the current interest rate gap position, it is estimated that a one-percentage point increase in all interest rates would increase net interest income by approximately 3.1% or $13,980 (October 31, 2013 – 3.3% or $14,545) and decrease other comprehensive income $12,978 (October 31, 2013 – $14,418) net of tax, respectively over the following twelve months. A one-percentage point decrease in all interest rates would decrease net interest income by approximately 5.2% or $23,587 (October 31, 2013 – 5.3% or $23,853) and increase other comprehensive income $12,978 (October 31, 2013 – $14,418) net of tax.

14. Capital Management

Capital for Canadian financial institutions is managed and reported in accordance with a capital management framework specified by OSFI commonly called Basel III. The Basel III rules provide for transitional adjustments with certain aspects of the new rules phased in between 2013 and 2019. The only available transition allowance in the Basel III capital standards permitted by OSFI for Canadian banks relates to the multi-year phase out of non-qualifying capital instruments. Additional information about CWB's capital management practices is provided in Note 31 to the fiscal 2013 audited consolidated financial statements within 2013 Annual Report (see page 100 of the 2013 Annual Report) and in the Capital Management section in the Q1 2014 Management's Discussion and Analysis.

Capital funds are managed in accordance with policies and plans that are regularly reviewed and approved by the Board of Directors and take into account forecasted capital needs and markets. The goal is to maintain adequate regulatory capital to be considered well capitalized, protect customer deposits and provide capacity for internally generated growth and strategic opportunities that do not otherwise require accessing the public capital markets, all while providing a satisfactory return for shareholders.

Capital Structure and Regulatory Ratios

	As at January 31 2014	As at October 31 2013	As at January 31 2013
Regulatory capital, net of deductions			
Common equity Tier 1	**$ 1,326,448**	$ 1,285,692	$ 1,192,981
Tier 1	**1,576,411**	1,560,801	1,450,377
Total	**2,194,824**	2,243,654	2,118,614
Capital ratios			
Common equity Tier 1	**8.0 %**	8.0 %	8.0 %
Tier 1	**9.5**	9.7	9.7
Total	**13.2**	13.9	14.2
Asset to capital multiple	**8.6 x**	8.1 x	7.9 x

During the three months ended January 31, 2014, CWB complied with all internal and external capital requirements.

15. Subsequent event

On February 10, 2014, CWB issued 5 million Basel III-compliant, non-cumulative, 5-year rate reset First Preferred Shares Series 5 (Series 5 Preferred Shares) at $25 per share, for gross proceeds of $125 million.

Holders of the Series 5 Preferred Shares will be entitled to receive a non-cumulative fixed dividend in the amount of $1.10 annually, payable quarterly, as and when declared by the Board of Directors of CWB, for the initial period ending April 30, 2019. The quarterly dividend represents an annual yield of 4.40% based on the stated issue price per share. Thereafter, the dividend rate will reset every five years at a level of 276 basis points over the then 5-year Government of Canada bond yield.

CWB maintains the right to redeem, subject to the approval of OSFI, up to all of the then outstanding Series 5 Preferred Shares on April 30, 2019, and on April 30 every five years thereafter at a price of $25.00 per share. Should CWB choose not to exercise its right to redeem the Series 5 Preferred Shares, holders of these shares will have the right to convert their shares into an equal number of non-cumulative, floating rate First Preferred Shares Series 6 (Series 6 Preferred Shares), subject to certain conditions, on April 30, 2019, and on April 30 every five years thereafter. Holders of the Series 6 Preferred Shares will be entitled to receive quarterly floating dividends, as and when declared by the Board of Directors of CWB, equal to the 90-day Government of Canada Treasury Bill rate plus 276 basis points.

Upon the occurrence of a trigger event (as defined by OSFI), each Series 5 Preferred Share and, if issued, each Series 6 Preferred Share will be automatically converted, without the consent of the holders, into CWB common shares. Conversion to common shares will be determined by dividing the preferred share conversion value ($25.00 per preferred share plus any declared but unpaid dividends) by the common share value (the greater of (i) the floor price of $5.00 and (ii) the current market price calculated as the volume-weighted average trading price for the ten consecutive trading days ending on the day immediately prior to the date of the conversion).

16. Comparative Figures

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

Shareholder Information

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Fax: (403) 234-0606
mcleanpartners.com

Stock Exchange Listings

The Toronto Stock Exchange
Common Shares: CWB
Series 3 Preferred Shares: CWB.PR.A
Series 5 Preferred Shares: CWB.PR.B

Transfer Agent and Registrar

Valiant Trust Company
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Website: www.valianttrust.com
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Eligible Dividends Designation

CWB designates all dividends for both common and preferred shares paid to Canadian residents as "eligible dividends", as defined in the Income Tax Act (Canada), unless otherwise noted.

Dividend Reinvestment Plan

CWB's dividend reinvestment plan allows common and preferred shareholders to purchase additional common shares by reinvesting their cash dividend without incurring brokerage and commission fees. For information about participation in the plan, please contact the Transfer Agent and Registrar or visit cwb.com.

Investor Relations

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Online Investor Information

Additional investor information including supplemental financial information and corporate presentations are available on CWB's website at cwb.com.

Quarterly Conference Call and Webcast

CWB's quarterly conference call and live audio webcast took place on March 6, 2014 at 1:30 p.m. ET. The webcast will be archived on CWB's website at cwb.com for sixty days. A replay of the conference call will be available until March 20, 2014 by dialing 905-694-9451 (Toronto) or 1-800-408-3053 (toll-free) and entering passcode 6674131.