Second Quarter Report | April 30 | 2013

To Shareholders

CWB celebrates 100 consecutive profitable quarters
Common share dividend declared of $0.18 per share, up 13% over the dividend declared a year earlier
Quarterly dividend declared on CWB preferred shares

Second Quarter 2013 Highlights[1] (compared to the same period in the prior year)

- Net income available to common shareholders of $43.0 million, up 8%.
- Diluted earnings per common share of $0.54, up 4%; adjusted cash earnings per common share of $0.55, unchanged.
- Total revenues, on a taxable equivalent basis (teb), of $137.0 million, up 7%.
- Very strong quarterly loan growth of 4%; 12% over the past twelve months.
- Basel III regulatory capital position using the *Standardized* approach for calculating risk-weighted assets: 8.0% common equity Tier 1 (CET1) ratio, 9.7% Tier 1 ratio and 14.1% total ratio.
- Announced acquisition of 55% ownership of McLean & Partners Wealth Management Ltd., a Calgary-based wealth management firm.

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

Edmonton, June 6, 2013 – Canadian Western Bank (TSX: CWB) (CWB or the Bank) today announced solid financial performance and the achievement of 100 consecutive profitable quarters. This unique track-record of consistent profitability every quarter over the past 25 years sets CWB apart from all other Schedule I banks in Canada.

Second quarter net income available to common shareholders of $43.0 million increased 8% compared to the same quarter last year, while diluted earnings per share was up 4% to $0.54. Adjusted cash earnings per common share, which excludes the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of contingent consideration, was unchanged at $0.55. The difference in growth in net income available to common shareholders and adjusted cash earnings per share mainly reflects the combined impact of an issuance of CWB common shares and the settlement of contingent consideration in the third quarter of 2012, both related to the 2010 acquisition of National Leasing Group Inc. Total revenues (teb) of $137.0 million represent a 7% increase over a year earlier as the positive contribution from strong 12% loan growth and 15% higher other income was partially offset by a 16 basis point lower net interest margin (teb), increased non-interest expenses and one less revenue-earning day.

Compared to last quarter, net income available to common shareholders was 5% ($2.5 million) lower as the benefit of very strong 4% loan growth and increased other income was more than offset by the impact of three fewer revenue-earning days and higher non-interest expenses. Adjusted cash earnings per share was also lower by 5% ($0.03). The quarterly net interest margin (teb) of 2.65% was consistent with the prior quarter, but continued to be constrained by very low interest rates, a flat interest rate curve and ongoing competitive pressures.

Year-to-date net income available to common shareholders of $88.5 million increased 9% compared to the same period last year as the benefit of strong growth in loans and other income was partially offset by a 14 basis point decline in net interest margin (teb) and increased non-interest expenses. Diluted earnings per common share increased 5% over the same period last year, while adjusted cash earnings per share was up 1% to $1.13.

"Attaining 100 consecutive profitable quarters is a tremendous milestone for CWB Group and we're actively celebrating this achievement. We're very proud of the growth and stability we've delivered for our shareholders over the past 25 years, and our primary focus is to continue building on this outstanding history of performance," said Chris Fowler, President and CEO. "In support of our commitment to give back to our communities, one element of our celebration was to make a meaningful contribution to a group of worthy charities, as chosen by our 2,000-plus employees. Based on the results of an employee vote, CWB Group is pleased to report that we will be donating a total of $100,000 to children's hospitals located throughout our key geographic markets. Another achievement, subsequent to quarter end, was CWB Group's recognition by *Alberta Venture Magazine* as *Alberta's Best Overall Workplace* with more than 750 employees."

"Acquisitions have been an important part of our success, and we were very pleased in the second quarter to announce our intent to invest in 55% ownership of McLean & Partners, a Calgary-based wealth management company. The investment closed in May and we're excited to welcome this entire team to the CWB Group. The acquisition represents an extension of our wealth management strategy, which is focused on future earnings growth, revenue diversification and deeper relationships with our clients."

"Within our core businesses, second quarter loan growth was very strong and largely reflects our ongoing success in serving the needs of small- to mid-sized business clients," continued Mr. Fowler. "We have seen some stabilization of net interest margin; however, this key measure will remain under pressure until we see some movement toward higher interest rates. Credit quality remains strong and we are optimistic about the overall positive levels of activity across our key geographic markets."

On June 5, 2013, CWB's Board of Directors declared a cash dividend of $0.18 per common share, payable on June 27, 2013 to shareholders of record on June 20, 2013. This quarterly dividend was 6% ($0.01) higher than the previous quarter and 13% ($0.02) higher than the quarterly dividend declared one year ago. The Board of Directors also declared a cash dividend of $0.453125 per Series 3 Preferred Share payable on July 31, 2013 to shareholders of record on July 18, 2013.

Fiscal 2013 Minimum Performance Targets and Outlook

The minimum performance targets established for the 2013 fiscal year together with CWB's actual year-to-date performance are presented in the table below:

	2013 Year-to-date Performance	2013 Minimum Targets
Net income available to common shareholders growth(1)	**9%**	8%
Total revenue (teb) growth(1)	**8%**	8%
Loan growth(2)	**12%**	10%
Provision for credit losses as a percentage of average loans(3)	**0.18%**	0.18% - 0.23%
Efficiency ratio (teb)(4)	**46.3%**	46%
Return on common shareholders' equity(5)	**13.8%**	14%
Return on assets(6)	**1.03%**	1.05%

(1) Year-to-date performance for earnings and revenue growth is the current year results over the same period in the prior year.
(2) Loan growth is the increase over the past twelve months.
(3) Year-to-date provision for credit losses, annualized, divided by average total loans.
(4) Efficiency ratio (teb) calculated as non-interest expenses divided by total revenues (teb).
(5) Return on common shareholders' equity calculated as annualized net income available to common shareholders divided by average common shareholders' equity.
(6) Return on assets calculated as annualized net income available to common shareholders divided by average total assets.

Solid financial performance through the first six months has CWB well-positioned in relation to the majority of our 2013 minimum performance targets. Growth in total revenues and net income available to common shareholders was largely driven by strong year-over-year lending activity across almost all of our key sectors. Double-digit growth across most categories of other income also made meaningful contributions and helped to mitigate the effects of a lower net interest margin. The volume in the pipeline for new loans remains strong and ongoing loan growth will continue to have a positive impact on revenues and earnings for the rest of the year. However, we expect net interest margin will continue to be constrained and achieving meaningful improvement in this measure over the near-term will be difficult. Net interest margin challenges and the resulting impact on total revenues are additionally apparent in our key profitability measures and the efficiency ratio. While we will continue to strategically invest in people, technology and infrastructure to support future long-term growth, we also remain very attentive to the rate of growth in non-interest expenses. We will continue to manage business investment and resulting growth in non-interest expenses in consideration of expected revenue growth and our 2013 target efficiency ratio of 46% or less. Overall credit quality remains consistent with expectations of the credit cycle and supports our view that the annual provision for credit losses will remain at the low end of the 2013 target range.

The Canadian economy is showing moderate expansion in 2013, with comparatively stronger performance across the Bank's key western Canadian markets. Demand for Canadian resource exports and manufactured goods remains relatively stable and should help to offset potential pressures from adjustments in the housing sector and slower growth in personal borrowing. Although recessionary conditions and political uncertainty persist in Europe, many economic trends in the U.S. continue to be encouraging, including improving employment, strengthening domestic demand and increasing activity in the housing market. These positive developments, which align with consensus forecasts for accelerated domestic growth in 2014, support our outlook for continued profitable growth opportunities. Overall, we remain optimistic about the domestic economic outlook and look forward to delivering continued growth and value for CWB shareholders over the long term.

About Canadian Western Bank Group

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

Fiscal 2013 Second Quarter Results Conference Call

CWB's quarterly conference call and live audio webcast took place on June 6, 2013 at 3:00 p.m. ET. The webcast will be archived on the Bank's website at www.cwbankgroup.com for sixty days.

A replay of the conference call will be available until June 20, 2013 by dialing 416-849-0833 (Toronto) or 1-855-859-2056 (toll-free) and entering passcode 65242639.

Contents

Selected Financial Highlights

(unaudited) ($ thousands, except per share amounts)	For the three months ended April 30 2013	 January 31 2013	 April 30 2012	Change from April 30 2012	For the six months ended April 30 2013	 April 30 2012	Change from April 30 2012
Results of Operations							
Net interest income (teb – see below)	**$ 113,576**	$ 114,749	$ 107,600	6 %	**$ 228,325**	$ 215,109	6 %
Less teb adjustment	**2,000**	1,915	2,458	(19)	**3,915**	5,078	(23)
Net interest income per financial statements	**111,576**	112,834	105,142	6	**224,410**	210,031	7
Other income	**23,390**	22,379	20,254	15	**45,769**	39,045	17
Total revenues (teb)	**136,966**	137,128	127,854	7	**274,094**	254,154	8
Total revenues	**134,966**	135,213	125,396	8	**270,179**	249,076	8
Net income available to common shareholders	**42,988**	45,482	39,669	8	**88,470**	81,147	9
Earnings per common share							
Basic[(1)]	**0.54**	0.58	0.52	4	**1.12**	1.07	5
Diluted[(2)]	**0.54**	0.57	0.52	4	**1.11**	1.06	5
Adjusted cash[(3)]	**0.55**	0.58	0.55	-	**1.13**	1.12	1
Return on common shareholders' equity[(4)]	**13.4 %**	14.2 %	14.6 %	(120) bp	**13.8 %**	15.0 %	(120) bp[(5)]
Return on assets[(6)]	**1.00**	1.06	1.03	(3)	**1.03**	1.05	(2)
Efficiency ratio (teb)[(7)]	**47.3**	45.3	46.2	110	**46.3**	44.9	140
Efficiency ratio	**48.0**	45.9	47.1	90	**47.0**	45.8	120
Net interest margin (teb)[(8)]	**2.65**	2.66	2.81	(16)	**2.65**	2.79	(14)
Net interest margin	**2.60**	2.62	2.74	(14)	**2.61**	2.72	(11)
Provision for credit losses as a percentage of average loans	**0.19**	0.18	0.19	-	**0.18**	0.20	(2)
Per Common Share							
Cash dividends	**$ 0.17**	$ 0.17	$ 0.15	13 %	**$ 0.34**	$ 0.30	13 %
Book value	**16.82**	16.42	14.73	14	**16.82**	14.73	14
Closing market value	**28.46**	30.84	28.69	(1)	**28.46**	28.69	(1)
Common shares outstanding (thousands)	**79,171**	78,992	75,909	4	**79,171**	75,909	4
Balance Sheet and Off-Balance Sheet Summary							
Assets	**$ 17,779,280**	$ 17,161,437	$ 15,713,443	13 %			
Loans	**14,884,553**	14,299,112	13,281,729	12			
Deposits	**14,780,315**	14,141,439	13,219,077	12			
Debt	**897,183**	860,661	602,675	49			
Shareholders' equity	**1,540,971**	1,506,438	1,327,783	16			
Assets under administration	**7,821,089**	7,306,557	6,843,070	14			
Assets under management	**904,730**	882,213	826,299	9			
Capital Adequacy[(9)]							
Common equity Tier 1 ratio	**8.0 %**	8.0 %	n/a %	n/a bp			
Tier 1 ratio	**9.7**	9.7	9.9	(20)			
Total ratio	**14.1**	14.2	13.2	90			

n/a – not applicable

(1) Basic earnings per common share (EPS) is calculated as net income available to common shareholders divided by the average number of common shares outstanding.
(2) 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.
(3) 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 mainly related to the acquisition of National Leasing Group Inc. and are not considered indicative of ongoing business performance. The effect of the non-tax deductible change in the fair value of contingent consideration was eliminated in the third quarter of 2012 on the settlement of such consideration. The Bank believes the adjusted results provide a better understanding about how management views CWB's performance.
(4) Return on common shareholders' equity is calculated as annualized net income available to common shareholders divided by average common shareholders' equity.
(5) bp – basis point change.
(6) Return on assets is calculated as annualized net income available to common shareholders divided by average total assets.
(7) Efficiency ratio is calculated as non-interest expenses divided by total revenues excluding the non-tax deductible change in fair value of contingent consideration.
(8) Net interest margin is calculated as annualized net interest income divided by average total assets.
(9) As of January 1, 2013, the Office of the Superintendent of Financial Institutions Canada (OSFI) adopted a new capital management framework called Basel III and capital is managed and reported in accordance with those requirements. Capital ratios prior to fiscal 2013 have been calculated using the previous framework, Basel II. Capital ratios calculated under Basel III are not directly comparable to the equivalent Basel II measures.

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 banks. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

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, average balances, claims loss ratio, expense ratio and combined ratio do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other banks.

This management's discussion and analysis (MD&A), dated June 5, 2013, should be read in conjunction with Canadian Western Bank's (CWB or the Bank) unaudited condensed interim consolidated financial statements for the period ended April 30, 2013, and the audited consolidated financial statements and MD&A for the year ended October 31, 2012, available on SEDAR at www.sedar.com and the Bank's website at www.cwb.com.

Overview

CWB is pleased to report solid financial performance to mark its 100th consecutive profitable quarter. Net income available to common shareholders of $43.0 million represented growth of 8% ($3.3 million) compared to the same quarter last year. Total revenues, on a taxable equivalent basis (teb), grew 7% ($9.1 million), reflecting the positive impact of strong 12% loan growth and 15% ($3.1 million) higher other income, partially offset by a 16 basis point reduction in net interest margin. Diluted earnings per common share increased 4% to $0.54, while adjusted cash earnings per common share was unchanged at $0.55. The difference in the rate of growth between diluted and adjusted cash earnings per share relates to the exclusion in adjusted cash earnings per share of the non-tax deductible change in fair value of contingent consideration and the after-tax amortization of acquisition-related intangible assets, both related to the 2010 acquisition of National Leasing Group Inc. While contingent consideration was eliminated in May 2012, the related expense reduced other income in the second quarter of last year by $1.3 million. The lower growth rate of adjusted cash earnings per share compared to net income available to common shareholders reflects the foregoing, as well as the impact of CWB common shares issued in the third quarter of 2012 in settlement of the contingent consideration.

Compared to the previous quarter, net income available to common shareholders was lower by 5% ($2.5 million) as the positive revenue impacts of very strong 4% quarterly loan growth and 5% ($1.0 million) higher other income were offset by three fewer revenue-earning days and a 4% increase ($2.8 million) in non-interest expenses. Quarterly net interest margin (teb) of 2.65% was consistent with the previous quarter.

On a year-to-date basis, net income available to common shareholders of $88.5 million was up 9% while adjusted cash earnings per common share increased 1% to $1.13. The difference in the growth rate of net income available to common shareholders and adjusted cash earnings per share reflects the items noted above. Growth in total revenues (teb) of 8% ($19.9 million) was driven by a 6% ($13.2 million) increase in net interest income (teb) and 17% ($6.7 million) growth in other income. The year-to-date net interest margin of 2.65% was 14 basis points lower than the prior year while non-interest expenses were up 10% ($11.6 million).

The quarterly return on common shareholders' equity (ROE) of 13.4% was 120 basis points lower compared to the same quarter in 2012 mainly resulting from the combined impact of margin compression and the issuance of common shares. ROE declined 80 basis points compared to the prior quarter, reflecting three fewer revenue-earning days and higher non-interest expenses. Year-to-date ROE of 13.8% was 120 basis points lower than same period last year. Second quarter return on assets of 1.00% compares to 1.03% a year earlier and 1.06% last quarter.

Total Revenues (teb)

Total revenues, comprising both net interest income (teb) and other income, reached $137.0 million for the quarter, up 7% ($9.1 million) compared to a year earlier. Growth in net interest income of 6% ($6.0 million) reflects the positive impact of strong 12% loan growth, partially offset by a 16 basis point reduction in net interest margin. Other income increased 15% ($3.1 million) largely resulting from higher credit related and retail services fee income, an increase in net insurance revenues and the elimination of charges for the change in fair value of contingent consideration.

Total revenues were consistent with the previous quarter as the benefit of very strong loan growth and higher other income was offset by fewer days. Year-to-date total revenues of $274.1 million increased 8% ($19.9 million) as contributions from strong loan growth and other income offset the impact of a reduced net interest margin.

Net Interest Income (teb)

Net interest income of $113.6 million was up 6% ($6.0 million) over the same quarter last year as the benefit of strong loan growth was partially offset by a 16 basis point reduction in net interest margin. The reduction in net interest margin to 2.65% mainly resulted from lower loan yields reflecting the combined impact of the sustained very low interest rate environment and flat interest rate curve, as well as ongoing competitive pressures, partially offset by more favourable fixed term deposit costs.

Compared to the previous quarter, net interest income was down 1% ($1.2 million) as the revenue contribution from very strong loan growth was offset by the impact of three fewer days. Net interest margin was relatively unchanged as the combined positive impacts from a reduction in fixed term deposit costs, lower average liquidity and higher yields on securities was offset by lower loan yields and interest expense on a higher balance of debentures outstanding.

On a year-to-date basis, net interest income of $228.3 million increased 6% ($13.2 million) as strong loan growth was partially offset by a 14 basis point reduction in net interest margin. The lower margin reflects similar factors as noted above.

Going forward, meaningful improvement in net interest margin is unlikely in the absence of increases in the prime lending interest rate and/or a steepening of the interest rate curve. However, management remains focused on mitigating margin pressures through an emphasis on achieving higher relative growth in better yielding loan portfolios, improving the deposit mix to lower the overall cost of funds, increasing the level of contributions from other income and prudently managing liquidity levels.

Note 13 to the unaudited interim consolidated financial statements summarizes the Bank's exposure to interest rate risk as at April 30, 2013. 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;
- floor levels for various deposit liabilities;
- interest rate changes affecting interest sensitive assets and liabilities by proportionally the same amount and applied at the appropriate repricing dates; and,
- no early redemptions.

($ thousands)	**April 30 2013**	January 31 2013	April 30 2012
Estimated impact on net interest income of a 1% increase in interest rates			
1 year	**$ 20,425**	$ 13,916	$ 12,418
1 year percentage change	**4.9 %**	3.4 %	3.2 %
Estimated impact on net interest income of a 1% decrease in interest rates			
1 year	**$ (28,260)**	$ (21,386)	$ (17,239)
1 year percentage change	**(6.8) %**	(5.3) %	(4.4) %

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 April 30, 2013 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 $9.5 million, net of tax (April 30, 2012 – $10.8 million). It is estimated that a one-percentage point decrease in all interest rates at April 30, 2013 would result in a higher level of unrealized gains related to available-for-sale securities and increase the fair value of interest rate swaps designated as hedges, which would increase other comprehensive income by approximately $9.5 million, net of tax (April 30, 2012 – $10.8 million).

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

Other Income

Second quarter other income of $23.4 million increased 15% ($3.1 million) compared to the same quarter last year reflecting growth in credit related and retail services fee income of 14% ($0.6 million) and 20% ($0.5 million), respectively. Net insurance revenues were up 8% ($0.4 million) based on growth in net earned premiums and relatively stable claims experience, while trust and wealth management services fees also increased by 8% ($0.4 million). Year-over-year growth also benefitted from the elimination of contingent consideration fair value changes, which reduced other income in the second quarter of 2012 by $1.3 million. Quarterly net gains on securities of $3.1 million were down slightly compared to the prior year. Based on the current composition of the securities portfolio, management believes net gains on securities will continue to provide a relatively consistent source of revenue for the remainder of the year.

Other income was up 5% ($1.0 million) compared to the previous quarter as the combined benefit of a $1.0 million increase in net insurance revenues, $0.4 million higher net gains on securities and positive growth contributions from other areas was partially offset by a $1.0 million decline in the 'other' category of other income and $0.4 million lower credit related fee income. Higher net insurance revenues mainly reflect improved claims experience. The 'other' category of other income was unusually high in the first quarter as a result of a $1.0 million contribution from the sale of residential mortgages.

Year-to-date other income of $45.8 million was up 17% ($6.7 million) compared to 2012 driven by solid increases in all categories except foreign exchange gains. Net insurance revenues and credit related fee income were up $1.2 million and $1.1 million, respectively. Net insurance revenues benefited from stable claims experience and growth in net earned premiums, while credit related fee income grew in line with overall loan growth. Trust and wealth management fees were up $0.7 million, while net gains on securities and retail service fees each increased by $0.6 million. The elimination of charges for contingent consideration fair value changes accounted for $2.5 million of the positive difference in other income compared to the same period in 2012.

Credit Quality

Overall credit quality reflects continuing strong underwriting practices and relatively stable levels of economic activity in Western Canada despite slower growth in the global economy. Gross impaired loans at April 30, 2013 of $61.6 million remained very low in relation to total loans outstanding, and compared to $55.7 million last quarter and $87.9 million a year earlier. The increase in the dollar level of gross impaired loans this quarter follows 11 consecutive quarterly declines and is consistent with normal fluctuations and expectations of the credit cycle.

(unaudited) ($ thousands)	For the three months ended **April 30 2013**	 January 31 2013	 April 30 2012	Change from April 30 2012
Gross impaired loans, beginning of period	**$ 55,734**	$ 66,840	$ 90,857	(39) %
New formations	**19,923**	14,972	29,589	(33)
Reductions, impaired accounts paid down or returned to performing status	**(10,158)**	(12,906)	(26,840)	(62)
Write-offs	**(3,876)**	(13,172)	(5,733)	(32)
Total[1]	**$ 61,623**	$ 55,734	$ 87,873	(30) %
Balance of the ten largest impaired accounts	**$ 33,189**	$ 23,833	$ 50,859	(35) %
Total number of accounts classified as impaired[3]	**131**	135	124	6
Gross impaired loans as a percentage of total loans[4]	**0.41 %**	0.39 %	0.66 %	(25) bp[2]

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $7,256 (January 31, 2013 – $9,160 and April 30, 2012 – $877).
(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 dollar level of gross impaired loans represented 0.41% of total loans at quarter end, compared to 0.39% last quarter and 0.66% one year ago. As at April 30, 2013, the collective allowance for credit losses exceeded the balance of impaired loans, net of specific allowances. The dollar 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 the Bank's lending exposures. 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 the Bank's historical range of acceptable levels.

The provision for credit losses measured against average loans was 19 basis points in the quarter and 18 basis points year-to-date. This compares to 18 basis points in the previous quarter and 20 basis points through the first half of last year. Based on the current environment and expectations for credit quality looking forward, management believes the annual provision for credit losses will remain at the low end of the 2013 target range of 18 to 23 basis points.

The total allowance for credit losses (collective and specific) represented 129% of gross impaired loans at quarter end, compared to 137% last quarter and 86% one year ago. The total allowance for credit losses was $79.5 million at April 30, 2013, compared to $76.4 million last quarter and $75.5 million a year earlier.

Non-interest Expenses

Ensuring the Bank is positioned to deliver strong growth over the long term while maintaining effective control of costs remains one of management's key priorities. Successful execution of CWB's strategic plan will continue to require investment in certain areas. Significant anticipated expenditures relate to additional staff complement to support ongoing growth, as well as expanded infrastructure and further investment in technology. This strategy is aligned with a commitment to maximize long-term shareholder value and is expected to provide material benefits in future periods. Work on the Bank's major program to implement a new core banking system continues. Preliminary timelines anticipate core banking implementation in 2015 based on a capital budget of $50 million. Upgrades and expansion of branch infrastructure is ongoing. 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.

Quarterly non-interest expenses of $64.8 million were up 9% ($5.2 million) compared to the same quarter last year reflecting increases in salaries and benefits, and premises and equipment expenses of 11% ($4.0 million) and 9% ($0.9 million), respectively. The change in salaries and benefits primarily resulted from a higher staff complement to support ongoing growth, as well as annual salary increments. Higher premises and equipment expense was driven by increases in direct computer costs and depreciation related to ongoing expansion and upgrades to existing technology and infrastructure, including the addition of a new full-service branch in Winnipeg, Manitoba in the latter part of 2012. General expenses include higher marketing and business development costs related to initiatives to enhance awareness of CWB's brand and product offerings.

Compared to the previous quarter, non-interest expenses were up 4% ($2.8 million), including $1.2 million higher advertising expense. Salaries and benefits were up 2% ($0.9 million), while expense related to premises and equipment was higher by 5% ($0.5 million).

Year-to-date non-interest expenses increased 10% ($11.6 million) over 2012 reflecting a 12% ($9.0 million) increase in salaries and benefits driven by staff complement, annual salary increments and higher stock-based and variable compensation. Premises and equipment costs were up 9% ($1.7 million) reflecting the factors noted above, while general expenses increased 4% ($0.8 million).

The second quarter efficiency ratio (teb), which measures non-interest expenses as a percentage of total revenues (teb), was 47.3%, compared to 46.2% last year and 45.3% in the previous quarter. The increase compared to the prior quarter reflects the impact of three fewer days and higher non-interest expenses. Compared to the same quarter last year, constrained revenue growth due to a 16 basis point decline in net interest margin and one less revenue-earning day combined with increased expenses to drive the ratio higher. Based on the year-to-date efficiency ratio of 46.3%, and in consideration of expected revenues and planned expenditures, management believes its 2013 efficiency ratio target of 46% or better is attainable, but will be challenging.

Income Taxes

The second quarter effective income tax rate (teb) was 25.9%, compared to 27.1% in the same quarter last year. The decrease in the tax rate mainly reflects the non-tax deductible charge related to the 2012 fair value contingent consideration changes. The effective income tax rate (teb) for the first six months of 2013 was 25.8%, down 110 basis points from 26.9% during the same period one year ago reflecting the contingent consideration factor outlined above and a 150 basis point decrease in the basic federal income tax rate effective on January 1, 2012.

Comprehensive Income

Comprehensive income is comprised of net income and other comprehensive income (OCI), all net of income taxes, and totaled $48.4 million for the second quarter, compared to $43.5 million in the same period last year. The net increase in comprehensive income was driven by the combined impact of 7% ($3.3 million) higher net income and a $2.2 million increase in fair value, net of taxes, of available-for-sale securities. While the combined dollar investment in preferred shares and common equities is relatively small in relation to total liquid assets, it increases the potential for comparatively larger fluctuations in OCI.

Year-to-date comprehensive income of $103.0 million compared to $96.4 million in 2012 with the change mainly resulting from an 8% ($7.3 million) increase in net income, slightly offset by losses from the change in fair value of derivatives designated as cash flow hedges.

Balance Sheet

Total assets increased 4% ($618 million) in the quarter, 5% ($906 million) year-to-date and 13% ($2,066 million) in the past year to reach $17,779 million at April 30, 2013.

Cash and Securities

Cash and securities totaled $2,545 million at April 30, 2013, compared to $2,517 million at the end of last quarter; although average liquidity through the second quarter was lower (refer to the *Treasury Management* section of this MD&A for additional details). As at April 30, 2012, cash, securities and securities purchased under resale agreements totaled $2,110 million. Net unrealized gains recorded on the balance sheet of $16.5 million compares to $16.0 million both last quarter and a year earlier, with the differences mainly reflecting an increased market value of debt securities, offset by gains realized through the income statements on disposition of common equities and the redemption 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. Volatility in equity markets also leads to fluctuations in value, particularly for common shares.

Net realized gains on securities in the second quarter of $3.1 million compare to $3.2 million in the same period last year and $2.7 million in the previous quarter. Net gains reflect both favourable market conditions and opportunistic management of the securities portfolio. Based on the current composition of the portfolio, management believes net gains on securities will continue to provide a relatively consistent source of revenue for the remainder of the year. The Bank has no direct investment in any non-Canadian sovereign debt or other securities issued outside of Canada or the United States.

Treasury Management

Lower average liquidity compared to the previous quarter mainly resulted from the deployment of cash and securities to support ongoing loan growth and the redemption of maturing floating rate notes. Given the current economic environment and based on ongoing scenario modeling and stress testing, management has implemented a plan to prudently reduce liquidity levels. A gradual reduction in average liquidity is expected to provide modest relief for net interest margin pressure going forward.

DBRS Limited maintains published credit ratings on the Bank's senior debt (deposits), short-term debt, subordinated debentures and preferred shares of "A (low)", "R1 (low)", "BBB (high)", and "Pfd-3 (high)", respectively, all with stable outlooks. Credit ratings do not comment on market price or 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.

The Basel Committee on Banking Supervision (the Basel Committee) has issued a framework document outlining two new liquidity standards. The document prescribes the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as minimum regulatory standards beginning in 2015 and 2018, respectively. The LCR establishes a common measure of liquidity risk and requires institutions to maintain sufficient liquid assets to cover a minimum of 30 days of cash flow requirements in a stressed situation. The NSFR describes a second common measure of liquidity establishing a minimum acceptable amount of stable funding based on the liquidity characteristics of a financial institution's assets and activities over a one-year horizon. Although the Basel Committee has introduced a phase-in period for compliance with LCR guidelines, Canadian banks will be required to fully comply with the LCR regulations in 2015 with no phase-in. CWB believes it is well positioned to comply with these new requirements.

Loans

Total loans grew 4% ($585 million) in the quarter, 7% ($931 million) year-to-date and 12% ($1,603 million) in the past twelve months to reach $14,885 million. Measured in dollar terms, sequential quarterly growth by lending sector was led by equipment financing and leasing ($172 million), commercial mortgages ($133 million), general commercial loans ($91 million) and corporate lending ($83 million). Personal loans and mortgages grew $62 million during the quarter, while growth in real estate project loans moderated in certain markets with an overall increase of $49 million. Oil and gas production loans declined by $1 million.

Equipment financing and leasing also led growth by lending sector on a year-to-date and year-over-year basis, with growth in dollar terms of $268 million and $471 million, respectively. General commercial lending activity followed closely in the year-over-year comparison with growth of $452 million. Based on the current outlook for new loans, management believes ongoing activity within these two sectors will continue to provide the strongest overall growth in fiscal 2013, while relatively slower growth is expected in real estate project loans, commercial mortgages and oil and gas production loans. Over the past twelve months, commercial mortgages and oil and gas production loans were the only sectors that did not show double-digit growth. Measured by geographic concentration, lending activity in British Columbia showed the highest growth in dollar terms, followed by Alberta, Saskatchewan and Manitoba.

(unaudited) ($ millions)	April 30 2013	January 31 2013	October 31 2012	April 30 2012
General commercial loans	$ 3,312	$ 3,221	$ 3,179	$ 2,860
Commercial mortgages	3,124	2,991	2,930	2,959
Equipment financing and leasing	2,766	2,594	2,498	2,295
Personal loans and mortgages	2,378	2,316	2,292	2,155
Real estate project loans	2,091	2,042	1,882	1,904
Corporate lending [1]	1,011	928	912	824
Oil and gas production loans	282	283	342	360
Total loans outstanding [2]	$ 14,964	$ 14,375	$ 14,035	$ 13,357

(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 competitive factors continue to have a meaningful impact across most lending areas, management believes market share will be gained from the combined positive influences of a strong client value proposition, expanded market presence and increased brand awareness in core geographic markets. CWB's strategic plan is focused on further enhancing existing competitive advantages in business banking, with complementary offerings in personal banking, equipment leasing and other key business areas.

Consensus forecasts for Canada's domestic economy call for modest expansion in 2013, with the strongest regional growth expected in the western provinces. Favourable employment levels, strengthening domestic demand and benefits from the ongoing housing recovery in the U.S. have combined to stabilize demand for Canadian exports, including natural resources. While strong competition from domestic banks and other financial services firms is expected to persist, the current overall outlook for generating profitable double-digit loan growth remains positive.

Residential real estate markets have softened in certain regions leading to fewer new lending opportunities in real estate construction. Although housing affordability remains within historical ranges, largely reflecting Canada's very low interest rates and stable employment levels, the expected rate of growth in real estate project loans is expected to be slower than growth in the portfolio as a whole. Subdued expectations primarily reflect elevated price levels in specific geographical areas and relatively high levels of Canadian consumer debt.

An increase in natural gas prices from very low levels and incremental improvements in pipeline capacity may gradually improve the financial flexibility and cash flows of exploration and production companies. However, it may take time for these positive developments to result in an escalation of drilling and construction activity directly related to these factors. While the Bank's direct exposure to the resource sector remains low, and fallout from a sustained period of low natural gas prices is not expected to materially impact overall portfolio quality, related growth opportunities will continue to be constrained. Despite these challenges, management believes the current level of overall activity and the relatively positive economic outlook within the Bank's key markets will support the achievement of the 10% minimum loan growth target for 2013.

Total loans within the broker-sourced residential mortgage business, Optimum Mortgage (Optimum), reached $1,146 million on growth of 4% ($43 million) in the quarter, 5% ($56 million) year-to-date and 11% ($118 million) over the past year. Net of whole loan sales completed in the first quarter of 2013 and the third quarter of 2012, Optimum's growth rate was 8% year-to-date and 19% 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 70%. The book value of alternative mortgages represented approximately 74% of Optimum's total portfolio at quarter end. Recent regulatory changes, including more stringent residential mortgage underwriting criteria, have resulted in a more favourable competitive environment for Optimum in the short term. However, these factors have also resulted in moderated overall demand for mortgages and are expected to reduce the volume of residential real estate transactions going forward. Despite these challenges, Optimum continues to deliver strong performance and management is optimistic about continued opportunities within this business.

Securitized leases are reported on-balance sheet as part of total loans. The gross amount of securitized leases at April 30, 2013 totaled $255 million, compared to $214 million last quarter and $196 million one year ago. Leases securitized in the second quarter and year-to-date totaled $59 million.

Residential Mortgage Exposure

In accordance with *OSFI Guideline B20 - Residential Mortgage Underwriting Practices and Procedures* additional information is provided regarding CWB's residential mortgage exposure. This exposure, including home equity lines of credit (HELOCs), is sourced through Optimum's third-party channels and CWB branches. Bank and trust companies in Canada are prohibited from providing mortgages with a loan-to-value (LTV) of more than 80% unless supported by third-party mortgage insurance. Although mortgage insurance protects the Bank from losses resulting from mortgagor default, it does not replace prudent lending practices, including the underwriting and administration of insured loans, the collection of payments and the protection of loan security.

A geographical breakdown of insured and uninsured loans secured by residential property, including HELOCs, follow:

(unaudited) ($ thousands)	As at April 30, 2013					
	Insured		Uninsured			
Province	Balance	% of Total Balance	Balance	% of Total Balance	Total Balance	Provincial % of Total
Alberta	$ 195,843	24 %	$ 631,689	76 %	$ 827,532	42 %
British Columbia	105,826	14	628,670	86	734,496	37
Manitoba	9,273	15	51,625	85	60,898	3
Ontario	17,252	8	211,724	92	228,976	11
Saskatchewan	30,941	22	110,090	78	141,031	7
Other	111	100	-	-	111	-
	$ 359,246	18 %	$ 1,633,798	82 %	$ 1,993,044	100 %

	As at January 31, 2013					
	Insured		Uninsured			
Province	Balance	% of Total Balance	Balance	% of Total Balance	Total Balance	Provincial % of Total
Alberta	$ 217,655	26 %	$ 618,818	74 %	$ 836,473	42 %
British Columbia	112,837	16	608,468	84	721,305	37
Manitoba	9,333	16	49,597	84	58,930	3
Ontario	15,818	7	195,941	93	211,759	11
Saskatchewan	29,432	21	107,689	79	137,121	7
Other	113	45	140	55	253	-
	$ 385,188	20 %	$ 1,580,653	80 %	$ 1,965,841	100 %

The approximate average LTV ratios for newly originated and acquired uninsured residential mortgages and HELOCs follow:

	For the three months ending	
(unaudited)	April 30, 2013	January 31, 2013
Alberta	65 %	64 %
British Columbia	61	62
Manitoba	66	71
Ontario	72	71
Saskatchewan	64	60
Other	41	74
	65 %	65 %

Total loans secured by residential property, including HELOCs, and categorized by amortization period follow:

	As at April 30, 2013		As at January 31, 2013	
(unaudited) ($ thousands)	Balance	% of Total Balance	Balance	% of Total Balance
Amortization (years)				
5 or less	$ 39,329	2 %	$ 34,005	2 %
> 5 to 10	21,553	1	21,613	1
> 10 to 15	47,828	2	49,075	3
> 15 to 20	147,213	7	140,272	7
> 20 to 25	950,864	48	929,582	47
> 25 to 30	610,514	31	602,102	31
> 30 to 35	172,281	9	185,207	9
> 35	3,462	-	3,985	-
	$ 1,993,044	100 %	$ 1,965,841	100 %

The total residential mortgage portfolio is well secured with an average LTV of less than 65%. In the event of a significant economic downturn and/or contraction in real estate prices, the Bank's strong collateral position would mitigate potential losses within this portfolio.

Deposits

Total deposits at quarter end were $14,780 million, up 5% ($639 million) over the previous quarter, 5% ($635 million) year-to-date, and 12% ($1,561 million) over the past year. Personal deposits represented 63% of total deposits at April 30, 2013, unchanged from the prior quarter and down from 65% one year ago. Total branch-raised deposits represented 56% of total deposits at April 30, 2013, unchanged from the previous quarter and down from 58% one year ago. Demand and notice deposits were 33% of total deposits, unchanged from both the previous quarter and the same period last year.

Total branch deposits, including trust services deposits, of $8,287 increased 4% ($306 million) in the second quarter, 6% ($464 million) year-to-date and 8% ($640 million) over the past twelve months. The demand and notice component within branch-raised deposits, which includes lower cost deposits, was up 5% ($238 million) from last quarter, 9% ($412 million) year-to-date and 12% ($520 million) from the same time last year to reach $4,871 million. One of management's 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 the Bank. 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 continue to support this focus on growing branch-raised deposits, as do new training programs currently underway that reach a significant number of branch employees. CWB's expanding market presence, including ongoing expansion and upgrades to existing branches, also supports objectives to generate branch-raised deposits.

Management remains committed to further enhance and diversify all funding sources to support growth, manage the impact of competitive pressures and augment net interest margins. The deposit broker network remains a valued source for raising insured fixed term retail deposits and has proven to be an extremely 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 second quarter, there was a total of $1,000 million term deposits raised through debt capital markets, representing 7% of total deposits. In the previous quarter, DBRS Limited initiated a rating of "R-1 (low)" with a stable trend on CWB's short term instruments, enabling the Bank to explore access to an additional source of funding through the issuance of bearer deposit notes (BDN). Management expects to launch its BDN program before the end of the year, and will also continue to evaluate the funding potential available through securitization of portfolios that may include equipment loans, residential mortgages and/or commercial mortgages.

Other Assets and Other Liabilities

Other assets at April 30, 2013 totaled $350 million, compared to $345 million last quarter and $322 million one year ago. Other liabilities at quarter end were $456 million, compared to $548 million the previous quarter and $459 million a year earlier. The decrease in other liabilities compared to the prior quarter relates primarily to a reduction in securities sold under repurchase agreements.

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 $7,821 million at April 30, 2013, compared to $7,307 million last quarter and $6,843 million one year ago. Assets under management were $905 million at quarter end, compared to $882 million last quarter and $826 million a year earlier. With the Bank's recently announced acquisition of McLean & Partners, assets under management will essentially double compared to the level at April 30, 2013.

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 April 30, 2013, as well as Notes 11 and 20 of the audited consolidated financial statements on pages 81 and 91, respectively, in the Bank's 2012 Annual Report.

Capital Management

Effective January 1, 2013, the Office of the Superintendent of Financial Institutions Canada (OSFI) requires Canadian financial institutions to manage and report regulatory capital in accordance with a new capital management framework, commonly referred to as Basel III. The required minimum regulatory capital ratios, including a 250 basis point capital conservation buffer, are 7.0% common equity Tier 1 (CET1), effective in the first quarter of 2013, and 8.5% Tier 1 and 10.5% total capital effective in the first quarter of 2014. The Basel III rules provide for transitional adjustments whereby certain aspects of the new rules will be 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.

At April 30, 2013, the Bank's capital ratios were 8.0% CET1, 9.7% Tier 1 and 14.1% total capital, essentially unchanged from the previous quarter. Further details regarding CWB's regulatory capital and capital adequacy ratios are included in the following table:

(unaudited) ($ millions)	**As at April 30 2013**[1]	As at January 31 2013[1]	As at April 30 2012[2]
Regulatory capital			
CET1 capital before deductions	**$ 1,331**	$ 1,294	$ n/a
Net CET1 deductions	**(101)**	(101)	n/a
CET1 capital	**1,230**	1,193	n/a
Tier 1 capital before deductions	**1,513**	1,476	1,421
Net deductions	**(10)**	(26)	(102)
Tier 1 capital	**1,503**	1,450	1,319
Total capital before deductions	**2,181**	2,128	1,817
Net deductions	**(1)**	(9)	(56)
Total capital	**$ 2,180**	$ 2,119	$ 1,761
Risk-weighted assets	**$ 15,446**	$ 14,927	$ 13,318
Capital adequacy ratios			
CET1	**8.0 %**	8.0 %	n/a
Tier 1	**9.7**	9.7	9.9 %
Total	**14.1**	14.2	13.2

n/a – not applicable

(1) Basel III capital balances at April 30 and January 31, 2013 exclude 10% of existing non-common equity instruments that do not include non-viability contingent capital clauses. In both periods, a combined $31 million of outstanding Innovative Tier 1 capital (disclosed in non-controlling interest) and preferred shares, as well as $68 million of outstanding subordinated debentures were excluded from Basel III regulatory capital.

(2) Capital is managed and reported in accordance with the new capital management framework called Basel III, which was adopted by OSFI on January 1, 2013. Capital ratios prior to fiscal 2013 have been calculated using the previous framework, Basel II. Capital ratios calculated under Basel III are not directly comparable to the equivalent Basel II measures.

Capital ratios exceed the Basel III targets established through CWB's Internal Capital Adequacy Assessment Process (ICAAP) and are supportive of growth expectations and strategic priorities. The ongoing retention of earnings should support capital requirements associated with the anticipated achievement of the 2013 minimum performance targets.

CWB currently reports its regulatory capital ratios using the *Standardized* approach for calculating risk-weighted assets. This approach requires the Bank 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 the Bank's possible transition to an *AIRB* methodology for managing credit risk and calculating risk-weighted assets continue to be evaluated. Preliminary analysis confirms a multi-year timeframe will be 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 the Bank'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, 2012.

Book value per common share at April 30, 2013 was $16.82, compared to $16.42 last quarter and $14.73 one year ago.

Common shareholders received a quarterly cash dividend of $0.17 per common share on March 28, 2013. On June 5, 2013, CWB's Board of Directors declared a cash dividend of $0.18 per common share, payable on

June 27, 2013 to shareholders of record on June 20, 2013. This quarterly dividend was 13% higher than the quarterly dividend declared one year ago. The Board of Directors also declared a cash dividend of $0.453125 per Series 3 Preferred Share payable on July 31, 2013 to shareholders of record on July 18, 2013.

Changes in Accounting Policies

There were no new significant accounting policies adopted during the quarter for purposes of presenting the Bank's financial statements under International Financial Reporting Standards (IFRS).

Future Accounting Changes

A number of standards and amendments have been issued by the International Accounting Standards Board (IASB) and are noted on page 51 of the 2012 Annual Report. There were no changes to these items through the second quarter of 2013. The standards and amendments may impact the presentation of financial statements in the future and management is currently reviewing these changes to determine the likely 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 the Bank's consolidated financial statements in the future.

Controls and Procedures

There were no changes in the Bank's internal controls over financial reporting that occurred during the quarter ended April 30, 2013 that have materially affected, or are reasonably likely to materially affect, the Bank's internal controls over financial reporting.

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 May 27, 2013, there were 79,173,712 CWB common shares outstanding. Also outstanding were employee stock options, which are or will be exercisable for up to 3,722,703 common shares for maximum proceeds of $95 million.

Dividend Reinvestment Plan

CWB common shares (TSX: CWB) and preferred shares (TSX: CWB.PR.A) are deemed eligible to participate in the Bank'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 the Bank's website at www.cwbankgroup.com/investor_relations/drip. At the current time, for the purposes of the Plan, the Bank 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

On February 27, 2013, CWB received approval from the Toronto Stock Exchange for a Normal Course Issuer Bid (NCIB) to purchase, for cancellation, up to up to 826,120 Non-Cumulative 5-Year Rate Reset Preferred Shares Series 3 ("preferred shares"). The NCIB commenced March 1, 2013 and will expire February 28, 2014. During the quarter, 4,038 preferred shares were purchased and cancelled under the NCIB. Security holders may contact the Bank to obtain, without charge, a copy of the notice filed with the TSX. Additionally, a copy of the news release is available on the Bank's website and on SEDAR at www.sedar.com.

Summary of Quarterly Financial Information

	2013		2012				2011	
($ thousands)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenues (teb)	**$ 136,966**	$ 137,128	$ 133,178	$ 138,150	$ 127,854	$ 126,300	$ 119,673	$ 122,753
Total revenues	**134,966**	135,213	131,199	136,064	125,396	123,680	116,540	119,956
Net income	**48,534**	51,062	48,616	53,578	45,212	47,051	41,474	44,393
Net income available to common shareholders	**42,988**	45,482	43,046	48,004	39,669	41,478	35,921	38,824
Earnings per common share								
Basic	**0.54**	0.58	0.55	0.62	0.52	0.55	0.48	0.52
Diluted	**0.54**	0.57	0.55	0.61	0.52	0.54	0.47	0.50
Adjusted cash	**0.55**	0.58	0.56	0.63	0.55	0.57	0.53	0.54
Total assets ($ millions)	**17,779**	17,161	16,873	16,033	15,713	15,484	14,849	14,097

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.

The Bank'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. Mandatory participation in the Alberta auto risk sharing pools can also result in unpredictable quarterly fluctuations.

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 the Bank's MD&A for the year ended October 31, 2012 and the individual quarterly reports to shareholders which are available on SEDAR at www.sedar.com and on CWB's website at www.cwbankgroup.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 banks. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

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. These exclusions represent non-cash charges mainly related to the acquisition of National Leasing Group Inc. 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 II Tier 1 and total capital adequacy ratios – in accordance with guidelines issued by OSFI;
- 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.

Forward-looking Statements

From time to time, Canadian Western Bank (the Bank) makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about the Bank's objectives and strategies, targeted and expected financial results and the outlook for the Bank's businesses or for the Canadian economy. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may impact" and other similar expressions, or future or conditional verbs such as "will", "should", "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions. A variety of factors, many of which are beyond the Bank's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada including the volatility and lack of liquidity in financial markets, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, regulatory and legal developments, the level of competition in the Bank's markets, the occurrence of weather-related and other natural catastrophes, changes in accounting standards and policies, the accuracy of and completeness of information the Bank receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of the Bank's business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management's ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause the Bank's actual results to differ materially from the expectations expressed in such forward looking statements. Unless required by securities law, the Bank does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy in 2013 and how it will affect CWB's businesses are material factors the Bank considers when setting its objectives. In setting minimum performance targets for fiscal 2013, management's assumptions included: modest economic growth in Canada aided by positive relative performance in the four western provinces; relatively stable energy and other commodity prices; sound credit quality with actual losses remaining within the Bank's historical range of acceptable levels; and, a lower net interest margin attributed to expectations for a prolonged period of very low interest rates due to uncertainties about the strength of global economic recovery and global macroeconomic uncertainty. Management's assumptions at the end of the second quarter remained relatively unchanged compared to those at the 2012 fiscal year end.

Potential risks that would have a material adverse impact on the Bank's economic expectations and forecasts include a global economic recession spurred by unfavourable developments in the euro zone, a recession in the United States, a meaningful slowdown in China's economic growth, or a significant and sustained deterioration in Canadian residential real estate prices. At the end of the second quarter, management's expectations and view of the potential risks were relatively consistent with the 2012 fiscal year end. However, ongoing differentials in oil prices owing to capacity challenges for exporting Canadian crude oil may have a greater than expected impact on both the overall level of capital investment and government fiscal flexibility.

Consolidated Balance Sheets

(unaudited) ($ thousands)		As at April 30 2013	As at January 31 2013	As at October 31 2012	As at April 30 2012	Change from April 30 2012
Assets						
Cash Resources						
Cash and non-interest bearing deposits with financial institutions		**$ 48,506**	$ 36,298	$ 33,690	$ 55,037	(12)%
Interest bearing deposits with regulated financial institutions	(Note 4)	**107,683**	170,998	177,028	158,518	(32)
Cheques and other items in transit		**5,251**	229	26,265	4,054	30
		161,440	207,525	236,983	217,609	(26)
Securities	(Note 4)					
Issued or guaranteed by Canada		**736,092**	881,434	980,200	546,803	35
Issued or guaranteed by a province or municipality		**600,257**	537,782	478,622	360,465	67
Other securities		**1,046,854**	890,209	877,278	915,150	14
		2,383,203	2,309,425	2,336,100	1,822,418	31
Securities Purchased Under Resale Agreements		**-**	-	-	69,808	(100)
Loans	(Notes 5 and 7)					
Personal		**2,378,451**	2,315,616	2,292,388	2,155,033	10
Business		**12,585,573**	12,059,864	11,743,021	11,202,185	12
		14,964,024	14,375,480	14,035,409	13,357,218	12
Allowance for credit losses	(Note 6)	**(79,471)**	(76,368)	(81,723)	(75,489)	5
		14,884,553	14,299,112	13,953,686	13,281,729	12
Other						
Property and equipment		**64,860**	63,915	68,938	60,588	7
Goodwill		**45,536**	45,536	45,536	45,536	-
Intangible assets		**53,141**	50,608	49,959	47,902	11
Insurance related		**56,853**	60,259	57,650	55,171	3
Derivative related	(Note 8)	**1,468**	2,776	1,951	740	98
Other assets		**128,226**	122,281	122,466	111,942	15
		350,084	345,375	346,500	321,879	9
Total Assets		**$ 17,779,280**	$ 17,161,437	$ 16,873,269	$ 15,713,443	13 %
Liabilities and Shareholders' Equity						
Deposits						
Personal		**$ 9,293,391**	$ 8,968,461	$ 8,960,118	$ 8,589,855	8 %
Business and government		**5,486,924**	5,172,978	5,184,719	4,629,222	19
		14,780,315	14,141,439	14,144,837	13,219,077	12
Other						
Cheques and other items in transit		**68,708**	43,479	54,030	41,891	64
Insurance related		**153,837**	154,606	160,302	144,935	6
Derivative related	(Note 8)	**18**	14	10	39	(54)
Securities sold under repurchase agreements		**-**	125,075	70,089	-	-
Other liabilities		**233,006**	224,498	239,503	271,800	(14)
		455,569	547,672	523,934	458,665	(1)
Debt						
Debt securities		**222,183**	185,661	209,273	177,675	25
Subordinated debentures		**675,000**	675,000	425,000	425,000	59
		897,183	860,661	634,273	602,675	49
Equity						
Preferred shares	(Note 9)	**209,649**	209,750	209,750	209,750	-
Common shares	(Note 9)	**499,730**	495,587	490,218	416,421	20
Retained earnings		**794,944**	765,392	733,298	667,305	19
Share-based payment reserve		**24,026**	22,943	22,468	22,322	8
Other reserves		**12,622**	12,766	9,247	11,985	5
Total Shareholders' Equity		**1,540,971**	1,506,438	1,464,981	1,327,783	16
Non-controlling interests		**105,242**	105,227	105,244	105,243	-
Total Equity		**1,646,213**	1,611,665	1,570,225	1,433,026	15
Total Liabilities and Equity		**$ 17,779,280**	$ 17,161,437	$ 16,873,269	$ 15,713,443	13 %

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 April 30 2013	 January 31 2013	 April 30 2012	Change from April 30 2012	For the six months ended April 30 2013	 April 30 2012	Change from April 30 2012
Interest Income							
Loans	**$ 177,159**	$ 179,041	$ 166,066	7 %	**$ 356,200**	$ 332,366	7 %
Securities	**11,272**	11,224	11,014	2	**22,496**	22,835	(1)
Deposits with regulated financial institutions	**419**	437	297	41	**856**	1,322	(35)
	188,850	190,702	177,377	6	**379,552**	356,523	6
Interest Expense							
Deposits	**68,853**	70,215	65,108	6	**139,068**	131,363	6
Debt	**8,421**	7,653	7,127	18	**16,074**	15,129	6
	77,274	77,868	72,235	7	**155,142**	146,492	6
Net Interest Income	**111,576**	112,834	105,142	6	**224,410**	210,031	7
Provision for Credit Losses (Note 6)	**6,684**	6,327	6,263	7	**13,011**	12,692	3
Net Interest Income after Provision for Credit Losses	**104,892**	106,507	98,879	6	**211,399**	197,339	7
Other Income							
Credit related	**5,053**	5,434	4,428	14	**10,487**	9,395	12
Insurance, net (Note 3)	**6,201**	5,202	5,754	8	**11,403**	10,156	12
Trust and wealth management services	**5,371**	5,043	4,984	8	**10,414**	9,753	7
Gains on securities, net	**3,074**	2,662	3,182	(3)	**5,736**	5,120	12
Retail services	**2,774**	2,468	2,312	20	**5,242**	4,668	12
Foreign exchange gains	**804**	502	809	(1)	**1,306**	1,478	(12)
Contingent consideration fair value change	**-**	-	(1,289)	(100)	**-**	(2,489)	(100)
Other	**113**	1,068	74	53	**1,181**	964	23
	23,390	22,379	20,254	15	**45,769**	39,045	17
Net Interest and Other Income	**128,282**	128,886	119,133	8	**257,168**	236,384	9
Non-Interest Expenses							
Salaries and employee benefits	**42,287**	41,355	38,261	11	**83,642**	74,668	12
Premises and equipment	**10,730**	10,254	9,826	9	**20,984**	19,259	9
Other expenses	**11,623**	10,278	11,448	2	**21,901**	21,150	4
Provincial capital taxes	**187**	180	70	167	**367**	195	88
	64,827	62,067	59,605	9	**126,894**	115,272	10
Net Income before Income Taxes	**63,455**	66,819	59,528	7	**130,274**	121,112	8
Income Taxes	**14,921**	15,757	14,316	4	**30,678**	28,849	6
Net Income	**$ 48,534**	$ 51,062	$ 45,212	7 %	**$ 99,596**	$ 92,263	8 %
Net Income Attributable to Non-Controlling Interests	**1,739**	1,778	1,741	-	**3,517**	3,512	-
Net Income Attributable to Shareholders of the Bank	**$ 46,795**	$ 49,284	$ 43,471	8 %	**$ 96,079**	$ 88,751	8 %
Preferred share dividends (Note 9)	**3,800**	3,802	3,802	-	**7,602**	7,604	-
Premium paid on preferred shares purchased for cancellation (Note 9)	**7**	-	-	nm	**7**	-	nm
Net Income Available to Common Shareholders	**$ 42,988**	$ 45,482	$ 39,669	8 %	**$ 88,470**	$ 81,147	9 %
Average number of common shares (in thousands)	**79,075**	78,801	75,779	4	**78,936**	75,652	4
Average number of diluted common shares (in thousands)	**79,471**	79,266	76,511	4	**79,362**	76,398	4
Earnings Per Common Share							
Basic	**$ 0.54**	$ 0.58	$ 0.52	4	**$ 1.12**	$ 1.07	5
Diluted	**0.54**	0.57	0.52	4	**1.11**	1.06	5

nm – not meaningful

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 April 30 2013	 April 30 2012	For the six months ended April 30 2013	 April 30 2012
Net Income	**$ 48,534**	$ 45,212	**$ 99,596**	$ 92,263
Other Comprehensive Income (Loss), net of tax				
Available-for-sale securities:				
Gains from change in fair value(1)	**2,572**	342	**7,896**	7,697
Reclassification to net income(2)	**(2,241)**	(2,346)	**(4,183)**	(3,770)
	331	(2,004)	**3,713**	3,927
Derivatives designated as cash flow hedges:				
Gains (losses) from change in fair value(3)	**(983)**	903	**(365)**	508
Reclassification to net income(4)	**508**	(595)	**27**	(299)
	(475)	308	**(338)**	209
	(144)	(1,696)	**3,375**	4,136
Comprehensive Income for the Period	**$ 48,390**	$ 43,516	**$ 102,971**	$ 96,399
Comprehensive income for the period attributable to:				
Shareholders of the Bank	**$ 46,651**	$ 41,775	**$ 99,454**	$ 92,887
Non-controlling interests	**1,739**	1,741	**3,517**	3,512
Comprehensive Income for the Period	**$ 48,390**	$ 43,516	**$ 102,971**	$ 96,399

(1) Net of income tax of $960 and $2,949 for the three and six months ended April 30, 2013, respectively (2012 - $122 and $2,703).
(2) Net of income tax of $833 and $1,553 for the three and six months ended April 30, 2013, respectively (2012 - $840 and $1,350).
(3) Net of income tax of $330 and $123 for the three and six months ended April 30, 2013, respectively (2012 - $315 and $177).
(4) Net of income tax of $170 and $9 for the three and six months ended April 30, 2013, respectively (2012 - $208 and $103).

All items presented in other comprehensive income will be reclassified to the Consolidated Statement of Income in subsequent periods.

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

Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)		For the six months ended April 30 2013	 April 30 2012
Retained Earnings			
Balance at beginning of period		**$ 733,298**	$ 608,848
Net income attributable to shareholders of the Bank		**96,079**	88,751
Dividends – Preferred shares		**(7,602)**	(7,604)
– Common shares		**(26,824)**	(22,690)
Premium paid on preferred shares purchased for cancellation		**(7)**	-
Balance at end of period		**794,944**	667,305
Other Reserves			
Balance at beginning of period		**9,247**	7,849
Changes in available-for-sale securities		**3,713**	3,927
Changes in derivatives designated as cash flow hedges		**(338)**	209
Balance at end of period		**12,622**	11,985
Preferred Shares	(Note 9)		
Balance at beginning and end of period		**209,750**	209,750
Purchase of preferred shares for cancellation		**(101)**	-
Balance at end of period		**209,649**	209,750
Common Shares	(Note 9)		
Balance at beginning of period		**490,218**	408,282
Issued under dividend reinvestment plan		**7,172**	5,336
Transferred from share-based payment reserve on the exercise or exchange of options		**1,389**	1,924
Issued on exercise of options		**951**	879
Balance at end of period		**499,730**	416,421
Share-based Payment Reserve			
Balance at beginning of period		**22,468**	21,884
Amortization of fair value of options	(Note 10)	**2,947**	2,362
Transferred to common shares on the exercise or exchange of options		**(1,389)**	(1,924)
Balance at end of period		**24,026**	22,322
Total Shareholders' Equity		**1,540,971**	1,327,783
Non-Controlling Interests			
Balance at beginning of period		**105,244**	105,225
Net income attributable to non-controlling interests		**3,517**	3,512
Dividends to non-controlling interests		**(3,519)**	(3,494)
Balance at end of period		**105,242**	105,243
Total Equity		**$ 1,646,213**	$ 1,433,026

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

Consolidated Statements of Cash Flow

(unaudited) ($ thousands)		For the six months ended April 30 2013	 April 30 2012
Cash Flows from Operating Activities			
Net income		**$ 99,596**	$ 92,263
Adjustments to determine net cash flows:			
Provision for credit losses		**13,011**	12,692
Depreciation and amortization		**10,338**	10,320
Current income taxes receivable and payable		**(12,420)**	764
Amortization of fair value of employee stock options	(Note 10)	**2,947**	2,362
Accrued interest receivable and payable, net		**8,517**	2,226
Deferred income taxes, net		**2,196**	(1,280)
Gain on securities, net		**(5,736)**	(5,120)
Change in operating assets and liabilities:			
Deposits, net		**635,478**	824,388
Loans, net		**(943,878)**	(1,001,139)
Securities sold under repurchase agreements, net		**(70,089)**	-
Securities purchased under resale agreements, net		**-**	(69,808)
Other items, net		**(16,062)**	(7,739)
		(276,102)	(140,071)
Cash Flows from Financing Activities			
Common shares issued	(Note 10)	**8,123**	6,215
Preferred shares purchased and cancelled	(Note 10)	**(108)**	-
Debentures issued		**250,000**	
Debentures redeemed		**-**	(120,000)
Debt securities issued		**59,321**	145,403
Debt securities repaid		**(46,410)**	(57,606)
Dividends		**(34,426)**	(30,294)
Distributions to non-controlling interests		**(3,519)**	(3,494)
		232,981	(59,776)
Cash Flows from Investing Activities			
Interest bearing deposits with regulated financial institutions, net		**69,547**	75,405
Securities, purchased		**(3,208,919)**	(1,864,186)
Securities, sale proceeds		**2,003,746**	924,038
Securities, matured		**1,167,732**	1,057,113
Property, equipment and software costs		**(9,862)**	(7,708)
		22,244	184,662
Change in Cash and Cash Equivalents		**(20,877)**	(15,185)
Cash and Cash Equivalents at Beginning of Period		**5,926**	32,385
Cash and Cash Equivalents at End of Period *		**$ (14,951)**	$ 17,200
* Represented by:			
Cash and non-interest bearing deposits with financial institutions		**$ 48,506**	$ 55,037
Cheques and other items in transit (included in Cash Resources)		**5,251**	4,054
Cheques and other items in transit (included in Other Liabilities)		**(68,708)**	(41,891)
Cash and Cash Equivalents at End of Period		**$ (14,951)**	$ 17,200
Supplemental Disclosure of Cash Flow Information			
Interest and dividends received		**$ 395,296**	$ 364,187
Interest paid		**151,009**	143,331
Income taxes paid		**40,671**	27,427

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

Notes to 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 or the Bank) 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, 2012. 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 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, 2012 as set out on pages 64 to 109 of the Bank's 2012 Annual Report.

The interim consolidated financial statements were authorized for issue by the Board of Directors on June 5, 2013.

2. Future Accounting Changes

CWB continues to monitor the IASB's proposed changes to accounting standards. Although not expected to materially impact the Bank's 2013 consolidated financial statements, these proposed changes may have a significant impact on future financial statements. Additional discussion on certain accounting standards that may impact the Bank is included in the audited consolidated financial statements within the Bank's 2012 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			For the six months ended	
	April 30 2013	January 31 2013	April 30 2012	**April 30 2013**	April 30 2012
Net earned premiums	**$ 30,701**	$ 31,495	$ 30,035	**$ 62,196**	$ 60,489
Commissions and processing fees	**404**	437	478	**841**	933
Net claims and adjustment expenses	**(18,312)**	(20,685)	(18,662)	**(38,997)**	(38,989)
Policy acquisition costs	**(6,592)**	(6,045)	(6,097)	**(12,637)**	(12,277)
Total, net	**$ 6,201**	$ 5,202	$ 5,754	**$ 11,403**	$ 10,156

4. Securities

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

	As at April 30 2013	As at January 31 2013	As at October 31 2012
Interest bearing deposits with regulated financial institutions	**$ 672**	$ 471	$ 482
Securities issued or guaranteed by			
Canada	**495**	157	176
A province or municipality	**253**	(60)	(67)
Other debt securities	**1,916**	1,605	1,637
Equity securities			
Preferred shares	**8,451**	8,411	6,971
Common shares	**4,681**	5,422	2,114
Unrealized gains, net	**$ 16,468**	$ 16,006	$ 11,313

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 and six months ended April 30, 2013, the Bank has assessed the securities with unrealized losses and, based on available objective evidence, no impairment charges (2012 – nil) were included in gains on securities, net.

5. Loans

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

($ millions)	BC	AB	ON	SK	MB	Other	Total	Composition Percentage April 30 2013	January 31 2013	October 31 2012
Personal	$ 826	$ 1,005	$ 317	$ 160	$ 69	$ 1	$ 2,378	16 %	16 %	16 %
Business										
Real estate	2,434	2,179	359	339	114	24	5,449	36	36	36
Commercial	1,315	1,863	457	207	98	122	4,062	27	28	28
Equipment financing and energy[1]	545	1,347	537	237	99	310	3,075	21	20	20
	4,294	5,389	1,353	783	311	456	12,586	84	84	84
Total Loans[2]	$ 5,120	$ 6,394	$ 1,670	$ 943	$ 380	$ 457	$ 14,964	100 %	100 %	100 %
Composition Percentage										
April 30, 2013	34 %	43 %	11 %	6 %	3 %	3 %	100 %			
January 31, 2013	34 %	44 %	11 %	6 %	2 %	3 %	100 %			
October 31, 2012	33 %	45 %	10 %	6 %	3 %	3 %	100 %			

(1) Includes securitized leases reported on-balance sheet of $255 (January 31, 2013 – $214; October 31, 2012 – $238).
(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 April 30, 2013			For the three months ended January 31, 2013		
	Specific Allowance	**Collective Allowance for Credit Losses**	**Total**	Specific Allowance	Collective Allowance for Credit Losses	Total
Balance at beginning of period	**$ 6,667**	**$ 69,701**	**$ 76,368**	$ 14,379	$ 67,344	$ 81,723
Provision for credit losses	**5,885**	**799**	**6,684**	3,970	2,357	6,327
Write-offs	**(3,876)**	**-**	**(3,876)**	(13,172)	-	(13,172)
Recoveries	**295**	**-**	**295**	1,490	-	1,490
Balance at end of period	**$ 8,971**	**$ 70,500**	**$ 79,471**	$ 6,667	$ 69,701	$ 76,368

	For the three months ended April 30, 2012		
	Specific Allowance	Collective Allowance for Credit Losses	Total
Balance at beginning of period	$ 11,885	$ 62,671	$ 74,556
Provision for credit losses	4,163	2,100	6,263
Write-offs	(5,733)	-	(5,733)
Recoveries	403	-	403
Balance at end of period	$ 10,718	$ 64,771	$ 75,489

	For the six months ended April 30, 2013			For the six months ended April 30, 2012		
	Specific Allowance	**Collective Allowance for Credit Losses**	**Total**	Specific Allowance	Collective Allowance for Credit Losses	Total
Balance at beginning of period	**$ 14,379**	**$ 67,344**	**$ 81,723**	$ 10,650	$ 61,330	$ 71,980
Provision for credit losses	**9,855**	**3,156**	**13,011**	9,251	3,441	12,692
Write-offs	**(17,048)**	**-**	**(17,048)**	(10,257)	-	(10,257)
Recoveries	**1,785**	**-**	**1,785**	1,074	-	1,074
Balance at end of period	**$ 8,971**	**$ 70,500**	**$ 79,471**	$ 10,718	$ 64,771	$ 75,489

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 April 30, 2013				As at January 31, 2013			
	Gross Amount	Gross Impaired Amount	Specific Allowance	Net Impaired Loans	Gross Amount	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Personal	**$ 2,378,451**	**$ 14,561**	**$ 715**	**$ 13,846**	$ 2,315,616	$ 14,999	$ 530	$ 14,469
Business								
Real estate[(1)]	**5,448,703**	**28,664**	**3,453**	**25,211**	5,226,547	16,954	1,253	15,701
Commercial	**4,062,170**	**9,586**	**1,231**	**8,355**	3,930,144	15,098	1,005	14,093
Equipment financing and energy	**3,074,700**	**8,812**	**3,572**	**5,240**	2,903,173	8,683	3,879	4,804
Total[(2)]	**$ 14,964,024**	**$ 61,623**	**$ 8,971**	**52,652**	$ 14,375,480	$ 55,734	$ 6,667	49,067
Collective allowance[(3)]				**(70,500)**				(69,701)
Net impaired loans after collective allowance				**$ (17,848)**				$ (20,634)

	As at October 31, 2012			
	Gross Amount	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Personal	$ 2,292,388	$ 13,404	$ 459	$ 12,945
Business				
Real estate[(1)]	5,001,041	23,022	2,605	20,417
Commercial	3,867,557	22,281	7,745	14,536
Equipment financing and energy	2,874,423	8,133	3,570	4,563
Total[(2)]	$ 14,035,409	$ 66,840	$ 14,379	52,461
Collective allowance[(3)]				(67,344)
Net impaired loans after collective allowance				$ (14,883)

(1) Multi-family residential mortgages are included in real estate loans.
(2) Gross impaired loans include foreclosed assets with a carrying value of $7,256 (January 31, 2013 – $9,160 and October 31, 2012 – $10,462) which are held for sale. The Bank 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 April 30, 2013			As at January 31, 2013		
	Gross Impaired Amount	Specific Allowance	Net Impaired Loans	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Alberta	**$ 31,958**	**$ 5,479**	**$ 26,479**	$ 23,576	$ 3,159	$ 20,417
British Columbia	**21,866**	**1,027**	**20,839**	23,576	848	22,728
Ontario	**4,607**	**1,170**	**3,437**	4,672	1,347	3,325
Saskatchewan	**1,392**	**520**	**872**	1,877	455	1,422
Manitoba	**308**	**188**	**120**	463	205	258
Other	**1,492**	**587**	**905**	1,570	653	917
Total	**$ 61,623**	**$ 8,971**	**52,652**	$ 55,734	$ 6,667	49,067
Collective allowance[(1)]			**(70,500)**			(69,701)
Net impaired loans after collective allowance			**$ (17,848)**			$ (20,634)

	As at October 31, 2012		
	Gross Impaired Amount	Specific Allowance	Net Impaired Loans
Alberta	$ 36,769	$ 9,711	$ 27,058
British Columbia	22,629	2,190	20,439
Ontario	3,081	1,167	1,914
Saskatchewan	2,309	456	1,853
Manitoba	615	203	412
Other	1,437	652	785
Total	$ 66,840	$ 14,379	52,461
Collective allowance[(1)]			(67,344)
Net impaired loans after collective allowance			$ (14,883)

(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 April 30, 2013				
	1 – 30 days	31 – 60 days	61 – 90 days	More than 90 days	Total
Personal	**$ 14,714**	**$ 1,726**	**$ 282**	**$ 1,858**	**$ 18,580**
Business	**32,920**	**5,846**	**2,959**	**-**	**41,725**
	$ 47,634	**$ 7,572**	**$ 3,241**	**$ 1,858**	**$ 60,305**
Total as at January 31, 2013	$ 30,859	$ 26,340	$ 4,729	$ 11,913	$ 73,841
Total as at October 31, 2012	$ 25,849	$ 27,799	$ 4,194	$ 375	$ 58,217

8. Derivative Financial Instruments

The Bank 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 and six months ended April 30, 2013, $983 and $365 of net unrealized after tax losses (2012 – $903 and $508 after tax gains) 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 (2012 – 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 items affects income. For the three and six months ended April 30, 2013, $508 and $27 of net losses after tax (2012 – $595 and $299 after tax gains) were reclassified to net income.

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

	As at April 30, 2013			As at January 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]	**$ 325,000**	**$ 102**	**$ (7)**	$ 350,000	$ 147	$ (7)
Equity swaps designated as hedges[2]	**15,445**	**1,342**	**-**	15,445	2,610	-
Foreign exchange contracts[3]	**11,639**	**24**	**(11)**	3,746	19	(7)
Derivative related amounts	**$ 352,084**	**$ 1,468**	**$ (18)**	$ 369,191	$ 2,776	$ (14)

	As at October 31, 2012		
	Notional Amount	Positive Fair Value	Negative Fair Value
Interest rate swaps designated as hedges	$ 225,000	$ 154	$ -
Equity swaps designated as hedges	15,445	1,778	-
Foreign exchange contracts	2,450	19	(10)
Derivative related amounts	$ 242,895	$ 1,951	$ (10)

(1) Interest rate swaps designated as hedges outstanding at April 30, 2013 mature between May 2013 and April 2014.
(2) Equity swaps designated as hedges outstanding at April 30, 2013 mature between June 2013 and June 2015. Equity swaps are used to reduce the earnings volatility from restricted share units linked to the Bank's common share price.
(3) Foreign exchange contracts outstanding at April 30, 2013 mature between May 2013 and February 2014.

There were no forecasted transactions that failed to occur during the three and six months ended April 30, 2013.

9. Capital Stock

Share Capital

	For the six months ended			
	April 30, 2013		April 30, 2012	
	Number of Shares	**Amount**	Number of Shares	Amount
Preferred Shares - Series 3				
Outstanding at beginning and end of period[1]	**8,390,000**	**$ 209,750**	8,390,000	$ 209,750
Purchased for cancellation	**(4,038)**	**(101)**	-	-
Outstanding at end of period	**8,385,962**	**209,649**	8,390,000	209,750
Common Shares				
Outstanding at beginning of period	**78,742,812**	**490,218**	75,461,981	408,282
Issued under dividend reinvestment plan[2]	**257,795**	**7,172**	197,771	5,336
Issued on exercise or exchange of options	**169,910**	**951**	249,324	879
Transferred from contributed surplus on exercise or exchange of options	**-**	**1,389**	-	1,924
Outstanding at end of period	**79,170,517**	**499,730**	75,909,076	416,421
Share Capital		**$ 709,379**		$ 626,171

(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. For further information on dividend rates after April 30, 2014, refer to Note 17 of the audited consolidated financial statements for the year ended October 31, 2012 (see page 87 of the 2012 Annual Report).
(2) Shares were issued at a 2% discount from the average closing price of the five trading days preceding the dividend payment date.

Preferred Share Normal Course Issuer Bid

On February 27, 2013, the Bank received approval from the Toronto Stock Exchange (TSX) to institute a Normal Course Issuer Bid (NCIB) to purchase and cancel up to 826,120 of its Non-Cumulative 5-Year Rate Reset Preferred Shares Series 3, being 10% of the issued preferred shares. The NCIB commenced March 1, 2013 and will expire February 28, 2014. During the quarter ended April 30, 2013, the Bank purchased and cancelled 4,038 preferred shares for a total of $108, of which $101 reduced the outstanding balance of preferred shares and the $7 premium paid above book value was charged to retained earnings.

10. Share-based Payments

Stock Options

	For the three months ended					
	April 30, 2013			April 30, 2012		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Options						
Balance at beginning of period	**3,857,314**	**$**	**25.37**	3,919,448	$	22.50
Exercised or exchanged	**(107,196)**		**17.44**	(252,861)		18.11
Forfeited	**(14,300)**		**27.05**	(16,211)		25.37
Balance at end of period	**3,735,818**	**$**	**25.60**	3,650,376	$	22.79

	For the six months ended					
	April 30, 2013			April 30, 2012		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Options						
Balance at beginning of period	**3,441,100**	**$**	**24.51**	3,542,072	$	21.36
Granted	**824,667**		**28.09**	729,830		25.46
Exercised or exchanged	**(343,722)**		**17.96**	(579,741)		17.31
Expired	**(162,075)**		**31.18**	-		-
Forfeited	**(24,152)**		**27.39**	(41,785)		24.22
Balance at end of period	**3,735,818**	**$**	**25.60**	3,650,376	$	22.79

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 the Bank 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. Of the 343,722 (2012 – 579,741) options exercised or exchanged in the six months ended April 30, 2013, option holders exchanged the rights to 291,140 (2012 – 516,391) options and received 117,328 (2012 – 185,974) shares in return under the cashless settlement alternative.

For the six months ended April 30, 2013, salary expense of $2,947 (2012 - $2,362) 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 1.4% (2012 – 1.1%), (ii) expected option life of 4.0 (2012 – 4.0) years, (iii) expected annual volatility of 25% (2012 – 31%), and (iv) expected annual dividends of 2.5% (2012 – 2.4%). The weighted average fair value of options granted was estimated at $4.61 (2012 – $4.70) per share.

Further details relating to stock options outstanding and exercisable at April 30, 2013 follow:

	Options Outstanding				Options Exercisable		
	Number of Options	Weighted Average Remaining Contractual Life (years)		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
$ 8.58 to $11.76	138,590	0.6	$	11.70	138,590	$	11.70
$16.89 to $21.45	238,100	1.1		16.94	238,100		16.94
$22.09 to $26.40	1,836,957	3.1		24.93	343,056		22.67
$28.09 to $30.76	1,522,171	3.6		29.02	-		-
Total	3,735,818	3.1	$	25.60	719,746	$	18.66

Restricted Share Units

For the six months ended April 30, 2013, salary expense of $4,192 (2012 – $3,160) was recognized related to the Restricted Share Units (RSUs). As at April 30, 2013, the liability for the RSUs held under this plan was $12,939 (2012 – $12,099). At the end of each period, the liability is adjusted through salary expense to reflect changes in the fair value of the RSUs. As at April 30, 2013, 583,633 RSUs were outstanding (2012 – 530,282).

Deferred Share Units

For the six months ended April 30, 2013, non-interest expenses “other expenses” included $132 (2012 – $394) related to the Deferred Share Units (DSUs). As at April 30, 2013, the liability for DSUs held under this plan was $2,150 (2012 – $2,235). At the end of each period, the liability is adjusted through salary expense to reflect changes in the fair value of the DSUs. As at April 30, 2013, 75,531 DSUs were outstanding (2012 – 77,912).

11. Contingent Liabilities and Commitments

In the normal course of business, the Bank enters into various commitments and has contingent liabilities, which are not reflected in the consolidated balance sheets. At April 30, 2013, these items include guarantees and standby letters of credit of $315,837 (January 31, 2013 - $290,538; October 31, 2012 - $286,676). Significant contingent liabilities and commitments, including guarantees provided to third parties, are discussed in Note 20 of the Bank's audited consolidated financial statements for the year ended October 31, 2012 (see page 91 of the 2012 Annual Report).

In the ordinary course of business, the Bank 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

The Bank 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.

Further information on how the fair value of financial instruments is determined is included in Note 29 of the October 31, 2012 consolidated audited financial statements (see page 99 of the 2012 Annual Report).

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

		Valuation Technique		
As at April 30, 2013	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Cash resources	**$ 161,440**	**$ 130,140**	**$ 31,300**	**$ -**
Securities	**2,383,203**	**2,383,203**	**-**	**-**
Derivative related	**1,468**	**-**	**1,468**	**-**
	$ 2,546,111	**$ 2,513,343**	**$ 32,768**	**$ -**
Financial liabilities				
Derivative related	**$ 18**	**$ -**	**$ 18**	**$ -**

		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	-	-
Derivative related	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	$ -

		Valuation Technique		
As at October 31, 2012	Fair Value	Level 1	Level 2	Level 3
Financial assets				
Cash resources	$ 236,983	$ 236,983	$ -	$ -
Securities	2,336,100	2,336,100	-	-
Securities purchased under resale agreements	1,951	-	1,951	-
	$ 2,575,034	$ 2,573,083	$ 1,951	$ -
Financial liabilities				
Derivative related	$ 10	$ -	$ 10	$ -

13. Interest Rate Sensitivity

The Bank'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, 2012 (see page 98 of the 2012 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
April 30, 2013								
Assets								
Cash resources and securities	**$ 342**	**$ 837**	**$ 665**	**$ 1,844**	**$ 417**	**$ 183**	**$ 100**	**$ 2,544**
Loans	**6,855**	**750**	**1,813**	**9,418**	**5,423**	**98**	**(54)**	**14,885**
Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**350**	**350**
Derivative financial instruments(1)	**25**	**7**	**300**	**332**	**8**	**-**	**12**	**352**
Total	**7,222**	**1,594**	**2,778**	**11,594**	**5,848**	**281**	**408**	**18,131**
Liabilities and Equity								
Deposits	**5,506**	**829**	**3,488**	**9,823**	**4,972**	**-**	**(15)**	**14,780**
Other liabilities	**4**	**8**	**34**	**46**	**31**	**7**	**372**	**456**
Debt	**8**	**65**	**67**	**140**	**507**	**250**	**-**	**897**
Equity	**-**	**-**	**-**	**-**	**105**	**-**	**1,541**	**1,646**
Derivative financial instruments(1)	**340**	**-**	**-**	**340**	**-**	**-**	**12**	**352**
Total	**5,858**	**902**	**3,589**	**10,349**	**5,615**	**257**	**1,910**	**18,131**
Interest Rate Sensitive Gap	**$ 1,364**	**$ 692**	**$ (811)**	**$ 1,245**	**$ 233**	**$ 24**	**$ (1,502)**	**$ -**
Cumulative Gap	**$ 1,364**	**$ 2,056**	**$ 1,245**	**$ 1,245**	**$ 1,478**	**$ 1,502**	**$ -**	**$ -**
Cumulative Gap as a Percentage of Total Assets	**7.5 %**	**11.3 %**	**6.9 %**	**6.9 %**	**8.2 %**	**8.3 %**	**- %**	**- %**
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 %	- %	- %
October 31, 2012								
Cumulative Gap	$ 1,560	$ 1,586	$ 773	$ 773	$ 1,211	$ 1,437	$ -	$ -
Cumulative Gap as a Percentage of Total Assets	9.1 %	9.3 %	4.5 %	4.5 %	7.1 %	8.4 %	- %	- %

(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:

April 30, 2013	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	**3.8 %**	**2.4 %**	**3.8 %**	**3.6 %**	**4.9 %**	**4.9 %**	**4.0 %**
Total liabilities	**1.3**	**2.1**	**2.1**	**1.6**	**2.4**	**3.4**	**1.9**
Interest rate sensitive gap	**2.5 %**	**0.3 %**	**1.7 %**	**2.0 %**	**2.5 %**	**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 %
October 31, 2012							
Total assets	3.8 %	2.7 %	3.7 %	3.6 %	5.0 %	5.0 %	4.1 %
Total liabilities	1.3	2.1	2.3	1.7	2.5	-	2.0
Interest rate sensitive gap	2.5 %	0.6 %	1.4 %	1.9 %	2.5 %	5.0 %	2.1 %

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 4.9% or $20,425 (January 31, 2013 – 3.4% or $13,916) and decrease other comprehensive income $9,464 (January 31, 2013 – $11,674) 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 6.8% or $28,260 (January 31, 2013 – 5.3% or $21,386) and increase other comprehensive income $9,464 (January 31, 2013 – $11,674) net of tax.

14. Capital Management

Beginning January 1, 2013, capital for Canadian financial institutions is managed and reported in accordance with a capital management framework specified by OSFI commonly called Basel III. Further details are available in the Capital Management section in the Q2 2013 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.

Additional information about the Bank's capital management practices is provided in Note 31 to the fiscal 2012 audited consolidated financial statements within 2012 Annual Report.

During May 2013, the Bank received OSFI approval for the redemption of its outstanding $50,000 subordinated debentures which are redeemable on June 27, 2013.

Capital Structure and Regulatory Ratios

	As at April 30 2013	As at January 31 2013	As at April 30 2012[1]
Regulatory capital, net of deductions			
Common equity Tier 1	**$ 1,229,936**	$ 1,192,981	$ n/a
Tier 1	**1,503,325**	1,450,377	1,318,999
Total	**2,180,295**	2,118,614	1,760,892
Capital ratios			
Common equity Tier 1	**8.0 %**	8.0 %	n/a %
Tier 1	**9.7**	9.7	9.9
Total	**14.1**	14.2	13.2
Asset to capital multiple	**8.0 x**	7.9 x	9.0 x

(1) Capital ratios prior to fiscal 2013 have been calculated using the previous capital framework, Basel II. Capital ratios calculated under Basel III are not directly comparable to the equivalent Basel II measures.

During the three and six months ended April 30, 2013, the Bank complied with all internal and external capital requirements.

15. Subsequent Event

On May 17, 2013, the Bank acquired 55% ownership of McLean & Partners Wealth Management Ltd, a Calgary, Alberta based wealth management firm.

16. Comparative Figures

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

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Stock Exchange Listings

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

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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 www.cwbankgroup.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 www.cwbankgroup.com.

Quarterly Conference Call and Webcast

CWB's quarterly conference call and live audio webcast took place on June 6, 2013 at 3:00 p.m. ET. The webcast will be archived on the Bank's website at www.cwbankgroup.com for sixty days. A replay of the conference call will be available until June 20, 2013 by dialing (416) 849-0833 or toll-free 1-(855) 859-2056 and entering passcode 65242639.