NEWS RELEASE

CWB reports solid fourth quarter performance and record results for fiscal 2012

Loan growth of 2% in the quarter and 14% for the year

Quarterly dividend declared of $0.17 per CWB common share, an increase of 6%

Fourth Quarter 2012 Highlights[1] (compared to the same period in the prior year)

- Net income available to common shareholders of $43.0 million, up 20% ($7.1 million).
- Diluted earnings per common share of $0.55, up 17%; adjusted cash earnings per common share[2] of $0.56, up 6%.
- Total revenues, on a taxable equivalent basis (teb)[2], of $133.2 million, up 11% ($13.5 million).
- Solid Basel II regulatory capital position using the standardized approach for calculating risk-weighted assets: tangible common equity to risk-weighted assets ratio[2] of 8.8%, Tier 1 capital ratio of 10.6% and total capital ratio of 13.8%. Well positioned for transition to Basel III regulatory capital framework effective January 1, 2013.
- Opened a new full-service business and personal banking centre in Winnipeg, Manitoba, bringing the total number of CWB branches to 41.
- Recognized for a seventh consecutive year as one of the *50 Best Employers in Canada* in a list compiled by *Aon Hewitt,* a global human resources consultant.
- On December 3, 2012, declared a quarterly dividend of $0.17 per CWB common share, an increase of 6% over the prior quarter and 13% over the dividend declared a year earlier.

(1) Effective in the first quarter of 2012, CWB's unaudited interim consolidated financial statements and the accompanying notes, along with all comparative information, are prepared in accordance with International Financial Reporting Standards (IFRS).
(2) Non-GAAP measure – refer to definitions following the table of *Selected Financial Highlights*.

Fiscal 2012 Highlights (compared to the prior year)

- Record net income available to common shareholders of $172.2 million, up 15% ($22.7 million).
- Record diluted earnings per common share of $2.22, up 14%; adjusted cash earnings per share of $2.30, up 6%.
- Very strong loan growth of 14% ($1,660 million).
- Record total revenues (teb) of $525.5 million, up 9% ($41.9 million).
- Return on common shareholders' equity of 15.0%, up 30 basis points.
- Net interest margin (teb) of 2.79%, down 20 basis points.
- Efficiency ratio (teb) of 44.8%, an improvement of 10 basis points.
- Dollar level of gross impaired loans decreased 31% ($30.4 million) to $66.8 million, or 0.48% of total loans (compared to 0.79% of total loans at October 31, 2011).
- Total assets and total loans surpassed $16 billion and $13 billion, respectively.

Fiscal 2012 Performance versus Minimum Targets

2012 Minimum Targets	2012 Performance	
Net income available to common shareholders growth of 10%	15%	☑
Total revenues (teb) growth of 7%	9%	☑
Loan growth of 10%	14%	☑
Provision for credit losses between 0.20% - 0.25% of average loans	0.19%	☑
Efficiency ratio (teb)[1] of 46% or less	44.8%	☑
Return on common shareholders' equity[1] of 15%	15.0%	☑
Return on assets[1] of 1.05%	1.08%	☑

(1) Defined on page 2.

Selected Financial Highlights

(unaudited) ($ thousands, except per share amounts)	For the three months ended October 31 2012	 July 31 2012	 October 31 2011	Change from October 31 2011	For the year ended October 31 2012	 October 31 2011	Change from October 31 2011
Results of Operations							
Net interest income (teb – see below)	**$ 113,246**	$ 115,217	$ 106,184	7 %	**$ 443,572**	$ 411,452	8 %
Less teb adjustment	**1,979**	2,086	3,133	(37)	**9,143**	11,059	(17)
Net interest income per financial statements	**111,267**	113,131	103,051	8	**434,429**	400,393	9
Other income	**19,932**	22,933	13,489	48	**81,910**	72,103	14
Total revenues (teb)	**133,178**	138,150	119,673	11	**525,482**	483,555	9
Total revenues	**131,199**	136,064	116,540	13	**516,339**	472,496	9
Net income available to common shareholders	**43,046**	48,004	35,921	20	**172,197**	149,538	15
Earnings per common share							
Basic[(1)]	**0.55**	0.62	0.48	15	**2.24**	2.07	8
Diluted[(2)]	**0.55**	0.61	0.47	17	**2.22**	1.95	14
Adjusted cash[(3)]	**0.56**	0.63	0.53	6	**2.30**	2.17	6
Return on common shareholders' equity[(4)]	**13.8 %**	16.1 %	13.6 %	20 bp	**15.0 %**	14.7 %	30 bp[(5)]
Return on assets[(6)]	**1.03**	1.19	0.97	6	**1.08**	1.09	(1)
Efficiency ratio (teb)[(7)]	**46.7**	42.8	45.5	120	**44.8**	44.9	(10)
Efficiency ratio	**47.4**	43.4	46.7	70	**45.6**	45.9	(30)
Net interest margin (teb)[(8)]	**2.71**	2.85	2.87	(16)	**2.79**	2.99	(20)
Net interest margin	**2.67**	2.80	2.79	(12)	**2.73**	2.91	(18)
Provision for credit losses as a percentage of average loans	**0.17**	0.19	0.17	-	**0.19**	0.19	-
Per Common Share							
Cash dividends	**$ 0.16**	$ 0.16	$ 0.14	14 %	**$ 0.62**	$ 0.54	15 %
Book value	**15.94**	15.56	13.87	15	**15.94**	13.87	15
Closing market value	**29.56**	26.27	28.50	4	**29.56**	28.50	4
Common shares outstanding (thousands)	**78,743**	78,319	75,462	4	**78,743**	75,462	4
Balance Sheet and Off-Balance Sheet Summary							
Assets	**$ 16,873,269**	$ 16,033,025	$ 14,849,141	14 %			
Loans	**13,953,686**	13,642,414	12,293,282	14			
Deposits	**14,144,837**	13,455,398	12,394,689	14			
Debt	**634,273**	603,931	634,877	-			
Shareholders' equity	**1,464,981**	1,428,090	1,256,613	17			
Assets under administration	**7,171,826**	6,830,282	9,369,589	(23)			
Assets under management	**855,333**	814,498	816,219	5			
Capital Adequacy[(9)]							
Tangible common equity to risk-weighted assets[(10)]	**8.8 %**	8.7 %	8.6 %	20 bp			
Tier 1 ratio	**10.6**	10.5	11.1	(50)			
Total ratio	**13.8**	13.7	15.4	(160)			

(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 and warrants.
(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 the reader with a better understanding about how management views CWB's performance.
(4) Return on common shareholders' equity is calculated as net income available to common shareholders divided by average common shareholders' equity.
(5) bp – basis point change.
(6) Return on assets is calculated as 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) Capital adequacy is calculated in accordance with Basel II guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI). The 2011 ratio reflects the returns filed and has not been restated to International Financial Reporting Standards (IFRS).
(10) Tangible common equity to risk-weighted assets is calculated as shareholders' equity less subsidiary goodwill divided by risk-weighted assets, calculated in accordance with guidelines issued by OSFI. The 2011 ratio has not been restated to IFRS.

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-GAAP Measures

Taxable equivalent basis, adjusted cash earnings per common share, return on common shareholders' equity, return on assets, efficiency ratio, net interest margin, tangible common equity to risk-weighted assets, Tier 1 and total capital adequacy ratios, and average balances do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other financial institutions.

Management's Discussion and Analysis

This financial summary should be read in conjunction with Canadian Western Bank's (CWB or the Bank) unaudited interim consolidated financial statements for the period ended October 31, 2012 and the audited consolidated financial statements and Management's Discussion and Analysis (MD&A) for the year ended October 31, 2011, available on SEDAR at www.sedar.com and the Bank's website at www.cwbankgroup.com. Commencing in 2012, CWB's financial results and quarterly financial statements, including comparative information, are prepared under International Financial Reporting Standards (IFRS). Except where indicated below, the factors discussed and referred to in the MD&A for fiscal 2011 remain substantially unchanged. Commencing in the first quarter of 2012, operating results are presented as one segment – Banking and Financial Services. The 2012 Annual Report and audited consolidated financial statements for the year ended October 31, 2012 will be available on both SEDAR and the Bank's website on December 6, 2012. The 2012 Annual Report will be distributed to shareholders in January 2013.

Edmonton, December 4, 2012 – Canadian Western Bank (TSX: CWB) today announced solid financial performance marking the Bank's 98th consecutive profitable quarter. Fourth quarter net income available to common shareholders of $43.0 million was up 20% ($7.1 million) compared to the same quarter last year while diluted earnings per common share increased 17% to $0.55. Adjusted cash earnings per 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 $0.56, up 6%.

Fourth quarter total revenues, measured on a taxable equivalent basis (teb - see definition following the Financial Highlights table), grew 11% ($13.5 million) to reach a record $133.2 million as the benefit of very strong 14% year-over-year loan growth and 48% ($6.4 million) higher other income more than offset the impact of a 16 basis point decline in net interest margin (teb) to 2.71%. Growth in other income mainly resulted from an $8.5 million positive change in net gains on securities and the elimination of charges related to changes in fair value of contingent consideration ($3.6 million in the fourth quarter of 2011), partially offset by $4.0 million lower net insurance revenues and a $2.6 million decline in the "other" component of other income. Net gains on securities of $5.4 million in the fourth quarter compared to net losses of $3.1 million in the same period of 2011. Charges for contingent consideration were eliminated in the third quarter of this year upon the settlement of the Bank's ownership of National Leasing Group Inc. Net insurance revenues were impacted by increased claims expense related to severe hailstorms in Alberta in August 2012. The 'other' component of other income in the fourth quarter of 2011 included a $2.0 million gain attributed to the sale of a residential mortgage portfolio.

Compared to last quarter, net income available to common shareholders declined 10% ($5.0 million) as the positive revenue contribution from 2% quarterly loan growth and $3.5 million higher gains on securities was more than offset by the combined impact of a 14 basis point reduction in net interest margin (teb), a $5.3 million decline in net insurance revenues and a $1.8 million reduction in the 'other' component of other income. The material reduction in net interest margin largely resulted from unusually high interest recoveries in the previous quarter, as well as lower yields on both loans and securities, partially offset by more favourable fixed term deposit costs. Diluted earnings per common share decreased 10% ($0.06) from the prior quarter while adjusted cash earnings per share was down 11% ($0.07).

Record annual net income available to common shareholders of $172.2 million increased 15% ($22.7 million) compared to last year while diluted earnings per common share was up 14% to $2.22. Adjusted cash earnings per share of $2.30 improved from $2.17 in the prior year. Record total revenues (teb) of $525.5 million increased 9%, reflecting 8% ($32.1 million) growth in net interest income (teb) and 14% ($9.8 million) higher other income. Growth in net interest income was driven by the benefit of very strong loan growth, partially offset by the significant impact of a 20 basis point reduction in net interest margin (teb) to 2.79%.

The quarterly return on common shareholders' equity of 13.8% increased 20 basis points compared to a year earlier, but was down 230 basis points from the prior quarter for the reasons already mentioned. Return on common shareholders' equity for the year of 15.0% was up from 14.7% in 2011. Fourth quarter return on assets of 1.03% compared to 0.97% last year and 1.19% in the previous quarter. Return on assets for the year was 1.08%, down one basis point from 2011.

The quarterly efficiency ratio (teb), which measures non-interest expenses as a percentage of total revenues (teb), excluding the non-tax deductible change in fair value of contingent consideration, was 46.7%, up 120 basis points. The annual efficiency ratio (teb) of 44.8% was a slight improvement from 44.9% in 2011.

"Solid fourth quarter performance marked the Bank's 98th consecutive profitable quarter and capped off a record year for CWB Group," said Larry Pollock, Chief Executive Officer of CWB. "We met or exceeded all of our fiscal 2012 targets, led by very strong loan growth. The volume in our pipeline for new loans remains solid and continues to be supported by favourable economic conditions in our key western Canadian markets. Although we will likely see an increase from the current very low dollar level of impaired loans, this period marked the 10th consecutive quarter of declines in this measure. Overall credit quality remains sound and we expect this will continue going forward."

"Our minimum performance targets for 2013 reflect ongoing confidence across all of our businesses," added Chris Fowler, President and Chief Operating Officer of CWB. "However, near-term growth in both revenues and earnings will likely be range-bound in the high single-digits owing to the significant headwinds on net interest margin from a very low interest rate environment and flat yield curve. Until we enter a rising rate environment, which could still be quite some time away, our focus will remain centred on diligently serving our clients and underwriting quality, secured loans that offer a fair return in the context of today's markets. We will also keep a close eye on managing expenses to maintain our industry-leading efficiency ratio."

"As always, maintaining our track record of strong growth requires that we adapt and constantly evolve our businesses to ensure we maintain our competitive advantages and continue to meet the needs of our clients and other stakeholders. CWB Group's vision is to be *seen as crucial to our clients' futures* and we are communicating and acting to achieve this vision across every corner of our business. Our tremendous team of people and their contributions to CWB Group's unique organizational culture are the basis of our past and future success, and we will continue to foster this core advantage going forward. CWB was recognized in November for a seventh straight year as one of the *50 Best Employers in Canada*, which is something we're very proud of," added Mr. Fowler.

Regulatory Capital

The Bank's Basel II Tier 1 and total capital ratios at October 31, 2012 remained solid at 10.6% and 13.8%, respectively, compared to 11.1% and 15.4% a year earlier. Reported capital ratios for 2011 are based on the returns filed and have not been restated for the full transition impact of IFRS or a required change in the capital deduction related to CWB's insurance subsidiary, both of which were effective in the first quarter of 2012. The lower total capital adequacy ratio additionally reflects the March 2012 redemption of $125 million of subordinated debentures. The tangible common equity ratio, which represents the highest quality form of capital, was 8.8%, up from 8.6% a year earlier.

Going forward, all Canadian banks must comply with the Basel III capital standards. Pro forma application of the all-in Basel III standards to the Bank's financial position at October 31, 2012 results in an estimated 8.1% common equity Tier 1 (CET1) ratio, 9.9% Tier 1 ratio and 13.1% total capital ratio. This compares to required minimum Basel III regulatory capital ratios, which include a 250 basis point capital conservation buffer, of 7.0% CET1 effective January 1, 2013, and 8.5% Tier 1 and 10.5% total capital effective January 1, 2014. The maintenance of solid capital levels over-and-above regulatory minimums supports management's objectives to effectively manage risks and maintain strong growth.

Dividends

On December 3, 2012, CWB's Board of Directors declared a cash dividend of $0.17 per common share, payable on January 4, 2013 to shareholders of record on December 17, 2012. This quarterly dividend represents a 6% increase over the previous quarter and is 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 January 31, 2013 to shareholders of record on January 24, 2013.

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 of CWB 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 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).

Loan Growth

Total loans of $13,954 million grew 2% ($311 million) in the quarter and 14% ($1,660 million) over the past twelve months. Very strong performance in general commercial loans, equipment financing and leasing, and personal loans and mortgages contributed the greatest amount to loan growth in both the current quarter and for the year. Growth was achieved across all lending sectors, with the exception of oil and gas production loans, and the overall outlook for generating new loans remains solid. Management expects the Bank to maintain double-digit loan growth and has set the fiscal 2013 minimum loan growth target at 10%.

Credit Quality

Overall credit quality continued to show improvement reflecting sound underwriting, secured lending practices and a relatively strong level of economic activity in the Bank's key geographic markets. Gross impaired loans totaled $66.8 million at quarter end, compared to $70.2 million last quarter and $97.3 million a year earlier. This represented the tenth consecutive quarterly decrease in the dollar level of impaired loans. The quarterly provision for credit losses exceeded net new specific provisions and led to a slight increase in the dollar level of the collective allowance for credit losses compared to last quarter. Compared to October 31, 2011, the dollar level of the total allowance for credit losses increased $9.7 million to reach $81.7 million, exceeding the total balance of gross impaired loans. Based on management's current view of credit quality, a 2013 provision for credit losses between 18 and 23 basis points of average loans is expected.

Net Interest Margin

Net interest margin (teb) of 2.71% was down from 2.87% in the fourth quarter last year with the difference resulting from lower yields on both loans and securities, partially offset by more favourable costs on fixed term deposits and reduced debenture expense. Compared to the prior quarter, net interest margin (teb) decreased 14 basis points reflecting unusually high interest recoveries in the previous quarter, as well as lower yields on both loans and securities, partially offset by more favourable fixed term deposit costs. Annual net interest margin (teb) of 2.79% was down 20 basis points from the prior year reflecting the factors already noted. In view of expectations for a prolonged period of very low interest rates, a flat interest rate curve and ongoing competitive influences, fiscal 2013 net interest margin is expected to be lower compared to 2012.

Fiscal 2013 Minimum Performance Targets and Outlook

The Bank's minimum performance targets established for fiscal 2013 are presented in the following table:

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

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

Fiscal 2013 minimum performance targets are based on expectations for modest economic growth in Canada and comparatively stronger performance within the Bank's key western Canadian markets. Lending activity remains solid and double-digit loan growth is expected to be maintained despite the impacts of competitive factors and ongoing global economic uncertainties. Overall credit quality is expected to remain sound and the provision for credit losses is targeted between 18 and 23 basis points of average loans. The Bank will maintain its focus on secured loans that offer a fair and profitable return in an environment where net interest margin pressure is expected to persist as a result of a very low interest rate environment, a flat interest rate curve and increased competitive influences in certain sectors. The foregoing circumstances will continue to constrain growth in total revenues and earnings compared to what would be expected in a more normal historical interest rate environment. Targeted growth of 8% for both total revenues (teb) and net income available to common shareholders' reflects confidence in CWB's proven business model and overall strategic direction, but also considers expectations for a lower net interest margin compared to 2012. Minimum targets for return on common shareholders' equity and return on assets have been established at 14% and 1.05%, respectively. One of management's key priorities is to maintain effective control of costs while ensuring the Bank is positioned to deliver continued strong growth. In consideration of targeted revenue growth and planned expenditures, the 2013 efficiency ratio (teb) is expected to remain at 46% or less.

The ongoing development of CWB Group's core businesses will remain a key priority to achieve continued strong growth. Potential acquisitions that are both strategic and accretive for CWB shareholders will also be evaluated very closely. With its strong capital position under the more conservative standardized approach for calculating risk-weighted assets, CWB is well positioned to support continued growth and manage unforeseen challenges. Management will maintain its focus on creating value and growth for shareholders over the long term. Despite challenges arising from the current interest rate environment and related pressures on net interest margin, the current overall outlook for 2013 and beyond is positive.

Fiscal 2012 Fourth Quarter and Annual Results Conference Call

CWB's fourth quarter and annual results conference call is scheduled for Tuesday, December 4, 2012 at **3:00 p.m. ET (1:00 p.m. MT)**. The Bank's executives will comment on financial results and respond to questions from analysts and institutional investors.

The conference call may be accessed on a listen-only basis by dialing 647-427-7450 or toll-free 1-888-231-8191. The call will also be webcast live on the Bank's website, www.cwbankgroup.com.

A replay of the conference call will be available until December 18, 2012 by dialing 416-849-0833 (Toronto) or 1-855-859-2056 (toll-free) and entering passcode 59924778.

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, Valiant Trust Company, Canadian Direct Insurance Incorporated, Adroit Investment 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.cwbankgroup.com for additional information.

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Taxable Equivalent Basis (teb)

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Non-GAAP Measures

Taxable equivalent basis, adjusted cash earnings per common share, return on common shareholders’ equity, return on assets, efficiency ratio, net interest margin, tangible common equity to risk-weighted assets, 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-GAAP 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;
- tangible common equity to risk-weighted assets – common shareholders’ equity less subsidiary goodwill divided by risk-weighted assets, calculated in accordance with guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI);
- 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 CWB’s interpretation of the Basel III capital requirements and OSFI proposed guidance; 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 and relatively stronger performance in the four western provinces; relatively stable prices for energy and other commodities compared to the levels observed at October 31, 2012; sound credit quality with actual losses remaining within the Bank’s historical range of acceptable levels; and, a lower net interest margin attributed to expectations for the continuation of a very low interest rate environment, a flat interest rate curve, competitive factors and ongoing uncertainties about global economic conditions. Potential risks that would have a material adverse impact on the Bank’s current economic expectations and forecasts include a global economic recession spurred by unfavourable developments in the euro zone, the strength of economic recovery in the United States, a meaningful slowdown in China’s economic growth, or a significant and sustained deterioration in Canadian residential real estate prices.

Consolidated Balance Sheets

(unaudited) ($ thousands)	As at October 31 2012	As at July 31 2012	As at October 31 2011	As at November 1 2010	Change from October 31 2011
Assets					
Cash Resources					
Cash and non-interest bearing deposits with financial institutions	**$ 33,690**	$ 59,470	$ 73,318	$ 8,965	(54) %
Interest bearing deposits with regulated financial institutions	**177,028**	217,290	233,964	168,998	(24)
Cheques and other items in transit	**26,265**	112	5,053	9,981	420
	236,983	276,872	312,335	187,944	(24)
Securities					
Issued or guaranteed by Canada	**980,200**	688,164	644,356	564,694	52
Issued or guaranteed by a province or municipality	**478,622**	272,826	380,031	88,478	26
Other securities	**877,278**	839,519	901,317	857,015	(3)
	2,336,100	1,800,509	1,925,704	1,510,187	21
Securities Purchased Under Resale Agreements	**-**	-	-	177,954	-
Loans					
Residential mortgages	**3,352,735**	3,311,330	3,008,545	2,479,957	11
Other loans	**10,682,674**	10,410,879	9,356,717	8,276,263	14
	14,035,409	13,722,209	12,365,262	10,756,220	14
Allowance for credit losses	**(81,723)**	(79,795)	(71,980)	(81,523)	14
	13,953,686	13,642,414	12,293,282	10,674,697	14
Other					
Property and equipment	**86,941**	75,685	72,674	65,978	20
Goodwill	**45,536**	45,536	45,691	45,562	-
Other intangible assets	**31,956**	33,245	37,420	43,420	(15)
Insurance related	**57,650**	56,774	56,734	59,652	2
Derivative related	**1,951**	130	-	134	nm
Other assets	**122,466**	101,860	105,301	116,200	16
	346,500	313,230	317,820	330,946	9
Total Assets	**$ 16,873,269**	$ 16,033,025	$ 14,849,141	$ 12,881,728	14 %
Liabilities and Shareholders' Equity					
Deposits					
Payable on demand	**$ 685,193**	$ 590,923	$ 583,267	$ 530,608	17 %
Payable after notice	**3,773,611**	3,763,642	3,407,590	2,999,599	11
Payable on a fixed date	**9,686,033**	9,100,833	8,403,832	7,177,560	15
	14,144,837	13,455,398	12,394,689	10,707,767	14
Other					
Cheques and other items in transit	**54,030**	78,726	45,986	39,628	17
Insurance related	**160,302**	151,052	149,130	149,396	7
Derivative related	**10**	238	436	992	(98)
Securities sold under repurchase agreements	**70,089**	-	-	-	nm
Other liabilities	**239,503**	210,353	262,185	239,474	(9)
	523,934	440,369	457,737	429,490	14
Debt					
Debt securities	**209,273**	178,931	89,877	202,006	133
Subordinated debentures	**425,000**	425,000	545,000	315,000	(22)
	634,273	603,931	634,877	517,006	-
Equity					
Preferred shares	**209,750**	209,750	209,750	209,750	-
Common shares	**490,218**	483,266	408,282	279,620	20
Retained earnings	**733,298**	702,799	608,848	586,933	20
Share-based payment reserve	**22,468**	23,339	21,884	21,291	3
Other reserves	**9,247**	8,936	7,849	24,692	18
Total Shareholders' Equity	**1,464,981**	1,428,090	1,256,613	1,122,286	17
Non-controlling interests	**105,244**	105,237	105,225	105,179	-
Total Equity	**1,570,225**	1,533,327	1,361,838	1,227,465	15
Total Liabilities and Shareholders' Equity	**$ 16,873,269**	$ 16,033,025	$ 14,849,141	$ 12,881,728	14 %

nm - not meaningful.

Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended October 31 2012	July 31 2012	October 31 2011	Change from October 31 2011	For the year ended October 31 2012	October 31 2011	Change from October 31 2011
Interest Income							
Loans	**$ 177,191**	$ 176,977	$ 162,945	9 %	**$ 686,534**	$ 625,048	10 %
Securities	**10,135**	10,578	12,011	(16)	**43,548**	44,177	(1)
Deposits with regulated financial institutions	**567**	500	808	(30)	**2,389**	4,062	(41)
	187,893	188,055	175,764	7	**732,471**	673,287	9
Interest Expense							
Deposits	**70,022**	68,387	64,265	9	**269,772**	238,701	13
Debt	**6,604**	6,537	8,448	(22)	**28,270**	34,193	(17)
	76,626	74,924	72,713	5	**298,042**	272,894	9
Net Interest Income	**111,267**	113,131	103,051	8	**434,429**	400,393	9
Provision for Credit Losses	**5,962**	6,453	5,183	15	**25,107**	21,783	15
Net Interest Income after Provision for Credit Losses	**105,305**	106,678	97,868	8	**409,322**	378,610	8
Other Income							
Credit related	**5,284**	5,026	4,638	14	**19,705**	18,307	8
Trust and wealth management services	**4,725**	4,587	4,336	9	**19,065**	19,050	-
Insurance, net	**946**	6,251	4,943	(81)	**17,353**	20,250	(14)
Gains on securities, net	**5,433**	1,896	(3,103)	nm	**12,449**	7,283	71
Retail services	**2,310**	2,249	2,289	1	**9,227**	9,486	(3)
Foreign exchange gains	**965**	812	930	4	**3,255**	3,488	(7)
Contingent consideration fair value change	**-**	-	(3,539)	nm	**(2,489)**	(12,305)	(80)
Other	**269**	2,112	2,995	(91)	**3,345**	6,544	(49)
	19,932	22,933	13,489	48	**81,910**	72,103	14
Net Interest and Other Income	**125,237**	129,611	111,357	12	**491,232**	450,713	9
Non-Interest Expenses							
Salaries and employee benefits	**39,826**	39,350	35,183	13	**153,844**	141,865	8
Premises and equipment	**10,404**	9,839	9,383	11	**39,502**	36,738	8
Other expenses	**11,790**	9,779	11,419	3	**42,720**	42,449	1
Provincial capital taxes	**156**	150	125	25	**500**	1,399	(64)
	62,176	59,118	56,110	11	**236,566**	222,451	6
Net Income before Income Taxes	**63,061**	70,493	55,247	14	**254,666**	228,262	12
Income Taxes	**14,445**	16,915	13,773	5	**60,209**	56,541	6
Net Income	**$ 48,616**	$ 53,578	$ 41,474	17 %	**$ 194,457**	$ 171,721	13 %
Net Income Attributable to Non-Controlling Interests	**1,768**	1,772	1,751	1	**7,052**	6,975	1
Net Income Attributable to Shareholders of the Bank	**$ 46,848**	$ 51,806	$ 39,723	18 %	**$ 187,405**	$ 164,746	14 %
Preferred share dividends	**3,802**	3,802	3,802	-	**15,208**	15,208	-
Net Income Available to Common Shareholders	**$ 43,046**	$ 48,004	$ 35,921	20 %	**$ 172,197**	$ 149,538	15 %
Average number of common shares (in thousands)	**78,506**	77,527	75,376	4	**76,841**	72,205	6
Average number of diluted common shares (in thousands)	**78,911**	78,107	76,959	3	**77,460**	76,705	1
Earnings Per Common Share							
Basic	**$ 0.55**	$ 0.62	$ 0.48	15 %	**$ 2.24**	$ 2.07	8 %
Diluted	**0.55**	0.61	0.47	17	**2.22**	1.95	14

nm - not meaningful.

Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended October 31 2012	 October 31 2011	For the year ended October 31 2012	 October 31 2011
Net Income	**$ 48,616**	$ 41,474	**$ 194,457**	$ 171,721
Other Comprehensive Income (Loss), net of tax				
Available-for-sale securities:				
Gains (losses) from change in fair value[(1)]	**3,426**	(8,693)	**9,580**	(11,710)
Reclassification to net income[(2)]	**(3,984)**	2,337	**(9,129)**	(5,133)
	(558)	(6,356)	**451**	(16,843)
Derivatives designated as cash flow hedges:				
Losses from change in fair value[(3)]	**1,514**	-	**1,430**	-
Reclassification to net income[(4)]	**(645)**	-	**(483)**	-
	869	-	**947**	-
	311	(6,356)	**1,398**	(16,843)
Comprehensive Income for the Period	**$ 48,927**	$ 35,118	**$ 195,855**	$ 154,878
Comprehensive income for the period attributable to:				
Shareholders of the Bank	**$ 47,159**	$ 33,367	**$ 188,803**	$ 147,903
Non-controlling interests	**1,768**	1,751	**7,052**	6,975
Comprehensive Income for the Period	**$ 48,927**	$ 35,118	**$ 195,855**	$ 154,878

(1) Net of income tax of $1,247 and $3,441 for the quarter and year ended October 31, 2012, respectively (2011 - $3,553 and $4,731).
(2) Net of income tax of $1,450 and $3,320 for the quarter and year ended October 31, 2012, respectively (2011 - $824 and $2,093).
(3) Net of income tax of $530 and $500 for the quarter and year ended October 31, 2012, respectively (2011 - nil).
(4) Net of income tax of $226 and $169 for the quarter and year ended October 31, 2012, respectively (2011 - nil).

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) ($ thousands)	For the year ended October 31 2012	 October 31 2011
Retained Earnings		
Balance at beginning of period	**$ 608,848**	$ 586,933
Net income attributable to shareholders of the Bank	**187,405**	164,746
Dividends – Preferred shares	**(15,208)**	(15,208)
– Common shares	**(47,747)**	(39,177)
Warrants purchased and cancelled	**-**	(88,446)
Balance at end of period	**733,298**	608,848
Other Reserves		
Balance at beginning of period	**7,849**	24,692
Changes in available-for-sale securities	**451**	(16,843)
Changes in derivatives designated as cash flow hedges	**947**	-
Balance at end of period	**9,247**	7,849
Preferred Shares		
Balance at beginning and end of period	**209,750**	209,750
Common Shares		
Balance at beginning of period	**408,282**	279,620
Issued on settlement of contingent consideration	**63,399**	-
Issued under dividend reinvestment plan	**12,252**	5,941
Transferred from share-based payment reserve on the exercise or exchange of options	**4,432**	4,009
Issued on exercise of options	**1,853**	2,996
Issued on exercise of warrants	**-**	115,716
Balance at end of period	**490,218**	408,282
Share-based Payment Reserve		
Balance at beginning of period	**21,884**	21,291
Amortization of fair value of options	**5,016**	4,602
Transferred to common shares on the exercise or exchange of options	**(4,432)**	(4,009)
Balance at end of period	**22,468**	21,884
Total Shareholders' Equity	**1,464,981**	1,256,613
Non-Controlling Interests		
Balance at beginning of period	**105,225**	105,179
Net income attributable to non-controlling interests	**7,052**	6,975
Dividends to non-controlling interests	**(7,033)**	(6,929)
Balance at end of period	**105,244**	105,225
Total Equity	**$ 1,570,225**	$ 1,361,838

Consolidated Statements of Cash Flow

(unaudited) ($ thousands)	For the year ended October 31 2012	October 31 2011
Cash Flows from Operating Activities		
Net income	**$ 194,457**	$ 171,721
Adjustments to determine net cash flows:		
Provision for credit losses	**25,107**	21,783
Depreciation and amortization	**17,261**	19,748
Current income taxes receivable and payable	**8,981**	5,036
Amortization of fair value of employee stock options	**5,016**	4,602
Accrued interest receivable and payable, net	**(3,541)**	2,529
Deferred income taxes, net	**(695)**	(11,146)
Gain on securities, net	**(12,449)**	(7,283)
Other items, net	**24,283**	51,352
	258,420	258,342
Cash Flows from Financing Activities		
Deposits, net	**1,750,148**	1,686,922
Securities sold under repurchase agreements, net	**70,089**	-
Common shares issued, net of issuance costs	**14,004**	124,653
Debt securities issued, net of issuance costs	**226,249**	-
Debt securities repaid	**(106,855)**	(112,129)
Dividends	**(62,955)**	(54,385)
Distributions to non-controlling interests	**(7,033)**	(6,930)
Debentures redeemed	**(120,000)**	(70,000)
Debentures issued	**-**	300,000
Warrants purchased and cancelled	**-**	(88,446)
	1,763,647	1,779,685
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	**57,128**	(65,414)
Securities, purchased	**(4,959,542)**	(4,725,843)
Securities, sale proceeds	**2,855,832**	2,095,077
Securities, matured	**1,711,152**	2,192,675
Loans, net	**(1,685,511)**	(1,640,368)
Property and equipment	**(27,586)**	(19,041)
Securities purchased under resale agreements, net	**-**	177,954
	(2,048,527)	(1,984,960)
Change in Cash and Cash Equivalents	**(26,460)**	53,067
Cash and Cash Equivalents at Beginning of Period	**32,385**	(20,682)
Cash and Cash Equivalents at End of Period *	**$ 5,925**	$ 32,385
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 33,690**	$ 73,318
Cheques and other items in transit (included in Cash Resources)	**26,265**	5,053
Cheques and other items in transit (included in Other Liabilities)	**(54,030)**	(45,986)
Cash and Cash Equivalents at End of Period	**$ 5,925**	$ 32,385
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 724,759**	$ 672,271
Interest paid	**293,871**	268,272
Income taxes paid	**51,923**	63,034