

CWB reports financial performance for the fourth quarter and fiscal 2016

Very strong annual loan growth with strategic diversification
Strong branch-raised deposit growth
Annual earnings growth constrained by the credit performance of oil and gas loans and continued net interest margin pressure

“CWB took a number of important steps forward this year and we faced a number of significant challenges,” said Chris Fowler, President and CEO. “Our successes included the implementation of our new core banking system and two key commercial lending acquisitions. Challenges included the negative impact of low oil prices and regulatory factors on our small portfolio of loans to oil and gas producers. We took a proactive approach to resolve positions within this portfolio, which resulted in higher-than-expected provisions for credit losses and contributed to a decrease in annual common shareholders’ net income. While this was a difficult experience, it demonstrated that CWB’s unique mid-market commercial banking business model is highly resilient. I’m extremely proud of the way our teams stepped up. Thanks to their outstanding effort, we successfully moved our well-defined growth strategy forward.”

“CWB’s strategic objectives include strong, balanced growth of both loans and funding sources, as well as progress toward a more balanced geographic footprint and broader diversification within targeted sectors of Canada’s commercial banking industry. Implementation of our new core banking system will directly support this strategy over the medium-term. The launch of this new system demonstrates our commitment to invest in technology and business process improvements that will empower our people to deliver the highest level of client service, accelerate growth of multi-product client relationships, and optimize our capital and risk management processes.”

“The additions of CWB Maxium and CWB Franchise Finance are also fully aligned with our balanced growth strategy. Both of these newly acquired businesses supported another year of strong, double-digit asset growth for CWB, and I’m pleased to report we surpassed the \$25 billion total assets milestone. Our high-quality asset growth was well-supported by strong growth of branch-raised deposits, as well as our very strong capital position.”

“CWB’s value proposition to shareholders is based on our strategy to deliver strong growth in earnings per common share, progressive increases in return on common shareholders’ equity from current levels and a disciplined approach to capital and risk management. We define success as a well-funded, well-capitalized mid-market commercial banking franchise deserving of a premium price-to-earnings multiple. I strongly believe we have established the appropriate foundation for sustainable and profitable growth for CWB shareholders. We are looking forward to building on this foundation and driving CWB to many more years of strong financial performance.”

Fourth Quarter 2016 Highlights⁽¹⁾ (compared to the same period in the prior year)

- Strong core operating performance, with pre-tax, pre-provision income⁽²⁾ of \$89.5 million, up 6%.
- Common shareholders’ net income of \$47.8 million, down 10%, as growth in total revenues was more than offset by increased non-interest expenses, higher provisions for credit losses, acquisition-related fair value changes, and higher preferred share dividends.
- Diluted earnings per common share of \$0.54 and adjusted cash earnings per common share of \$0.59, down 18% and 12%, respectively, reflecting the factors identified above and the third quarter issuance of common shares.
- Net interest margin (teb) of 2.36%, down 13 basis points.
- Provision for credit losses of 24 basis points, up six basis points from the fourth quarter last year and down eight basis points from the prior quarter. An increase to the collective allowance comprised 11 basis points of the quarterly provision.
- CWB received regulatory approval to redeem all \$105 million 6.199% CWB Capital Trust Securities Series 1 (WestS) on December 31, 2016.

Fiscal 2016 Highlights⁽¹⁾ from Continuing Operations⁽³⁾ (compared to the prior year)

- Completed the acquisitions now known as CWB Maxium and CWB Franchise Finance, supporting CWB's strategic objective to achieve further geographic and business diversification within targeted segments of the commercial banking industry.
 - Successfully launched CWB's new core banking system, a key technology investment which is expected to facilitate business process improvements that will empower CWB teams to deliver the highest level of client service, accelerate growth of multi-product client relationships, and optimize CWB's capital and risk management processes.
 - Opened CWB's 42nd full service branch through expansion of operations in Lloydminster, Saskatchewan.
 - Very strong, well-diversified loan growth of 13%, marking the achievement of double-digit loan annual loan growth for the 26th time in 27 years.
 - Strong branch-raised deposit growth of 12%, including 15% growth of targeted notice and demand deposits.
 - Strong core operating performance, with pre-tax, pre-provision income of \$353.8 million, up 8%, and positive operating leverage.
 - Common shareholders' net income from Continuing Operations of \$177.8 million, down 15% as the benefits of strong loan growth and higher non-interest income were more than offset by the credit performance of oil and gas loans, continued net interest margin pressure, increased non-interest expenses, acquisition-related fair value changes, and higher preferred share dividends.
 - Diluted earnings per common share of \$2.13, down 18%, and adjusted cash earnings per common share of \$2.26, down 14%, reflecting the factors identified above and the issuance of common shares.
 - Provision for credit losses as a percentage of average loans of 38 basis points, up from 17 basis points due to the credit performance of oil and gas loans. The full year provision was within CWB's expectation of 35 – 45 basis points, revised from 18 – 23 basis points prior to CWB reporting second quarter financial results. Excluding oil and gas-related credit losses, the annual provision was 18 basis points of average loans. Gross impaired loans represented 0.58% of total loans, up from 0.49%, primarily due to increased impairments within Alberta.
 - Net interest margin (teb) of 2.43%, down 13 basis points. The change primarily reflects lower asset yields, partly due to the impact of from the Bank of Canada's 2015 rate cuts, partially offset by the positive impact of these rate cuts on some deposit costs and favourable changes in deposit mix.
 - Strengthened capital position through issuance of \$150 million of common shares and \$140 million of preferred shares, contributing to very strong Basel III regulatory capital ratios under the Standardized approach for calculating risk-weighted assets of 9.2% common equity Tier 1 (CET1), 11.0% Tier 1 and 13.1% total capital.
 - On November 17, 2016, DBRS confirmed CWB's investment grade issuer credit rating with a stable trend.
- (1) Highlights include certain non-IFRS measures – refer to definitions following the table of Selected Financial Highlights on page 3.
- (2) Pre-tax, pre-provision income was previously calculated as common shareholders' net income plus the provision for credit losses and income taxes (teb). It is now calculated using a methodology more consistent with industry convention, as total revenue (teb) less non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets. Prior period results have been adjusted to reflect this definition.
- (3) As a result of the sales of Canadian Direct Insurance (CDI) and the stock transfer business of Valiant Trust Company (Valiant) which closed on May 1, 2015, CWB has defined the operating contributions and gains on sale of both CDI and Valiant's stock transfer business as "Discontinued Operations", the remaining operations as "Continuing Operations", and the total Continuing Operations and Discontinued Operations as "Combined Operations".

Selected Financial Highlights

(unaudited) (\$ thousands, except per share amounts)	For the three months ended			Change from October 31 2015	For the year ended		Change from October 31 2015
	October 31 2016	July 31 2016	October 31 2015		October 31 2016	October 31 2015	
Results from Continuing Operations⁽¹⁾							
Net interest income (teb – see below)	\$ 149,704	\$ 149,547	\$ 141,096	6	% \$ 588,464	\$ 549,052	7
Less teb adjustment	579	676	1,377	(58)	3,240	5,580	(42)
Net interest income (financial statements)	149,125	148,871	139,719	7	585,224	543,472	8
Non-interest income	19,127	19,541	17,949	7	72,672	67,948	7
Pre-tax, pre-provision income (teb) ⁽²⁾	89,497	92,360	84,378	6	353,843	328,059	8
Common shareholders' net income	47,834	45,582	52,969	(10)	177,761	208,064	(15)
Earnings per common share							
Basic	0.54	0.55	0.66	(18)	2.13	2.59	(18)
Diluted	0.54	0.55	0.66	(18)	2.13	2.59	(18)
Adjusted cash ⁽³⁾	0.59	0.60	0.67	(12)	2.26	2.63	(14)
Return on common shareholders' equity ⁽⁴⁾	9.3 %	9.4 %	11.9 %	(260) bp ⁽¹⁰⁾	9.3 %	12.4 %	(310) bp ⁽¹⁰⁾
Adjusted return on common shareholders' equity ⁽⁵⁾	10.1	10.3	12.0	(190)	9.9	12.6	(270)
Return on assets ⁽⁶⁾	0.76	0.73	0.94	(18)	0.73	0.97	(24)
Efficiency ratio (teb) ⁽⁷⁾	47.0	45.4	46.9	10	46.5	46.8	(30)
Efficiency ratio ⁽⁷⁾	47.2	45.6	47.4	(20)	46.7	47.3	(60)
Net interest margin (teb) ⁽⁸⁾	2.36	2.40	2.49	(13)	2.43	2.56	(13)
Net interest margin ⁽⁸⁾	2.35	2.39	2.47	(12)	2.41	2.53	(12)
Provision for credit losses as a percentage of average loans	0.24	0.32	0.18	6	0.38	0.17	21
Results from Combined Operations⁽¹⁾							
Common shareholders' net income	\$ 47,834	\$ 45,582	\$ 53,138	(10)	% \$ 177,761	\$ 319,701	(44)
Earnings per common share							
Basic	0.54	0.55	0.66	(18)	2.13	3.97	(46)
Diluted	0.54	0.55	0.66	(18)	2.13	3.97	(46)
Adjusted cash ⁽³⁾	0.59	0.60	0.67	(12)	2.26	4.01	(44)
Return on common shareholders' equity ⁽⁴⁾	9.3 %	9.4 %	11.9 %	(260) bp ⁽¹⁰⁾	9.3 %	19.1 %	(980) bp ⁽¹⁰⁾
Adjusted return on common shareholders' equity ⁽⁵⁾	10.1	10.3	12.1	(200)	9.9	19.3	(940)
Return on assets ⁽⁶⁾	0.76	0.73	0.94	(18)	0.73	1.48	(75)
Results of Discontinued Operations⁽¹⁾							
Common shareholders' net income	\$ -	\$ -	\$ 169	(100)	% \$ -	\$ 111,637	(100)
Earnings per common share							
Basic	-	-	-	-	-	1.38	(100)
Diluted	-	-	-	-	-	1.38	(100)
Adjusted cash ⁽³⁾	-	-	-	-	-	1.38	(100)
Per Common Share							
Cash dividends	\$ 0.23	\$ 0.23	\$ 0.22	5	% \$ 0.92	\$ 0.86	7
Book value	23.58	23.19	22.18	6	23.58	22.18	6
Closing market value	25.45	25.22	25.13	1	25.45	25.13	1
Common shares outstanding (thousands)	88,103	88,056	80,526	9	88,103	80,526	9
Balance Sheet and Off-Balance Sheet Summary (Combined Operations)							
Assets	\$ 25,222,549	\$ 25,185,441	\$ 22,838,527	10	%		
Loans	21,961,348	21,744,502	19,475,383	13			
Deposits	21,194,553	21,156,890	19,365,407	9			
Debt	1,268,198	1,279,002	1,187,623	7			
Shareholders' equity	2,342,040	2,307,255	1,910,907	23			
Assets under administration	10,689,398	10,305,408	9,293,683	15			
Assets under management	1,924,181	1,888,828	1,882,736	2			
Capital Adequacy⁽⁹⁾							
Common equity Tier 1 ratio	9.2 %	9.0 %	8.5 %	70	bp ⁽¹⁰⁾		
Tier 1 ratio	11.0	10.8	9.7	130			
Total ratio	13.1	12.9	12.7	40			

(1) On May 1, 2015, CWB sold its property and casualty insurance subsidiary and the stock transfer business of Valiant Trust. The contributions of both the insurance and stock transfer businesses, including gains on sale, are defined as "Discontinued Operations", the remaining operations are defined as "Continuing Operations", and the total Continuing Operations and Discontinued Operations are defined as "Combined Operations". Return on shareholders' equity reflects equity from Combined Operations. All other measures reflect either Continuing or Combined Operations as indicated.

(2) Pre-tax, pre-provision income was previously calculated as common shareholders' net income plus the provision for credit losses and income taxes (teb). It is now calculated using a methodology more consistent with industry convention, as total revenue (teb) less non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets. Prior period results have been adjusted to reflect this definition.

(3) Adjusted cash EPS is calculated as diluted earnings per common share excluding the acquisition-related amortization of intangible assets and contingent consideration fair value changes, net of tax. Excluded items are not considered to be indicative of ongoing business performance.

(4) Return on common shareholders' equity is calculated as annualized common shareholders' net income divided by average common shareholders' equity.

(5) Adjusted return on common shareholders' equity is calculated as annualized common shareholders' net income excluding the acquisition-related amortization of intangible assets and contingent consideration fair value changes, net of tax, divided by average common shareholders' equity.

(6) Return on assets is calculated as annualized common shareholders' net income divided by average total assets.

(7) Efficiency ratio is calculated as non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets, divided by total revenues. For Combined Operations, total revenues include the net gain related to the sales of the property and casualty insurance subsidiary and CWB's stock transfer business.

(8) Net interest margin is calculated with annualized net interest income divided by average total assets.

(9) Capital adequacy is calculated in accordance with Basel III guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI).

(10) bp – basis point change.

Taxable Equivalent Basis (teb)

Most banks analyze revenue on a taxable equivalent basis to permit uniform measurement and comparison of net interest income. Net interest income (as presented in the Consolidated Statement of Income) includes tax-exempt income on certain securities. Since this income is not taxable, the rate of interest or dividends received is significantly lower than would apply to a loan or security of the same amount. The adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had the tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by International Financial Reporting Standards (IFRS) and, therefore, may not be comparable to similar measures presented by other financial institutions. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

CWB uses a number of financial measures to assess its performance. These measures provide readers with an enhanced understanding of how management views the results. Non-IFRS measures may also provide readers the ability to analyze trends and provide comparisons with our competitors. Taxable equivalent basis, adjusted cash earnings per common share, adjusted 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.

Financial Summary

Continuing and Discontinued Operations

On May 1, 2015, CWB completed the divestitures of its property and casualty insurance subsidiary, Canadian Direct Insurance (CDI), and the stock transfer business of its subsidiary, Valiant Trust Company (Valiant), (“Discontinued Operations”). The remaining operations are defined as “Continuing Operations” and the total Discontinued Operations and Continuing Operations are defined as “Combined Operations”. In accordance with International Financial Reporting Standards (IFRS) 5 *Non-current Assets Held for Sale and Discontinued Operations*, revenue, expenses and gains on sale associated with the businesses sold have been classified as Discontinued Operations in CWB’s interim consolidated statements of income for all periods presented. Return on common shareholders’ equity reflects equity from Combined Operations. All other measures reflect either Continuing or Combined Operations as indicated.

Forward-looking Statements

From time to time, CWB makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about CWB’s objectives and strategies, targeted and expected financial results and the outlook for CWB’s businesses or for the Canadian economy. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “may increase”, “may impact”, “goal”, “focus”, “potential”, “proposed” 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 and are subject to inherent risks and uncertainties, which give rise to the possibility that management’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond CWB’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, the volatility and level of various commodity prices, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition, the occurrence of natural catastrophes, changes in accounting standards and policies, the accuracy and completeness of information CWB receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of 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.

Additional information about these factors can be found in the Risk Management section of CWB’s annual Management’s Discussion and Analysis (MD&A). These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause CWB’s actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, CWB does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect CWB’s businesses are material factors considered when setting organizational objectives and targets. In determining our expectations for economic growth, we primarily consider economic data and forecasts provided by the Canadian government and its agencies, as well as an average of certain private sector forecasts. These forecasts are subject to inherent risks and uncertainties that may be general or specific. Where relevant, material economic assumptions underlying forward looking statements are disclosed within the Outlook sections of this Financial Summary.

Financial Summary

This financial summary, dated December 1, 2016, should be read in conjunction with Canadian Western Bank's (CWB) unaudited interim consolidated financial statements for the period ended October 31, 2016 and the audited consolidated financial statements and Management's Discussion and Analysis (MD&A) for the year ended October 31, 2015, available on SEDAR at www.sedar.com and the Bank's website at www.cwb.com. The 2016 Annual Report, including MD&A and audited consolidated financial statements, for the year ended October 31, 2016 is expected to be available on both SEDAR and CWB's website during the week of December 5, 2016. The 2016 Annual Report will be distributed to shareholders in January 2017.

Outlook for Continuing Operations

Financial performance over a three- to five-year time frame is expected to be consistent with CWB's medium-term targets, and to benefit from an expanding geographic footprint with increased business diversification. Ongoing success in key strategic initiatives to enhance client offerings, build core funding sources, and leverage current and future investment in technology is also expected to support strong financial performance over the medium-term. Management expects earnings growth and profitability to fall below medium-term target ranges in fiscal 2017. This reflects expectations for ongoing pressure on net interest margin, incremental increases in CWB's expense base, mainly related to the new core banking system, a higher share count following the issuance of common shares in 2016, as well as the impact of the current recession in Alberta on loan growth and credit quality within that province.

Strong Loan and Deposit Growth with strategic diversification

Over the medium-term, ongoing strong, balanced growth of both loans and funding sources remain important strategic objectives. Further geographic and business sector diversification within targeted segments of Canada's commercial banking industry is the foundation of CWB's strategic direction. CWB will continue to focus on prudent growth of secured loans that offer an appropriate return and acceptable risk profile. Loan growth within Alberta and Saskatchewan is expected to remain challenging due to the impact of the current recession. However, management expects to deliver solid overall loan growth at levels relatively consistent with recent performance, primarily based on higher relative contributions from non-oil producing provinces across CWB's growing geographic footprint. A key strategic objective, supported by CWB's investment in the new core banking system, is to increase the level of branch-raised deposits as this core source of funding is typically lower cost than non-branch-raised funding. Branch-raised deposit products, including business savings, cash management and bare trustee accounts, also represent tools which help clients conveniently manage their business and personal finances, and management considers growth within this category to demonstrate success in strengthening key, multi-product client relationships.

Net Interest Margin

CWB expects efforts to optimize the overall cost of funds through targeted growth of lower-cost funding sources, along with selective, geographically diversified growth in higher yielding loan portfolios with an acceptable risk profile to mitigate the earnings impact of ongoing margin pressure over the medium-term. However, in the near-term, management expects these efforts to only partially offset the impacts of ongoing very low interest rates, competitive influences and a flat interest rate curve. As such, net interest margin pressure is expected to persist in 2017.

Credit Quality

Overall credit quality is expected to reflect CWB's secured lending business model, disciplined underwriting practices and proactive loan management. Gross impaired loans within Alberta have increased in most portfolios compared to last year as the operating environment has remained particularly challenging due to the current recession. CWB continues to work with affected clients, and management will continue to monitor the entire loan portfolio for signs of weakness resulting from the first and second order impacts of lower oil prices. CWB will also continue to closely observe developments within the residential housing sector, with a particular focus on markets where a combination of rapid price escalation and regulatory change could impact pricing and the level of future activity. Although CWB expects periodic increases in the balance of impaired loans across the portfolio, loss rates on impaired loans outside of oil and gas production lending are expected to be consistent with CWB's prior experience, where write-offs have been low as a percentage of impaired loans. The 2017 provision for credit losses as a percentage of average loans is expected to fall below the unusual level of 38 basis points experienced in 2016, within a range between 25 and 35 basis points.

Financial Summary

Based on the results of stress tests simulating severe economic conditions in Alberta and Saskatchewan, in combination with very challenging economic conditions throughout the rest of CWB's geographic footprint over a multi-year timeframe, management is confident CWB will continue to deliver positive earnings for shareholders while maintaining financial stability and a strong capital position. Stress test assumptions include severe credit losses, a persistent low interest rate environment and significantly slower loan growth to reflect lower assumed levels of economic activity, as well as increased competition for deposits and much higher levels of gross impaired loans that could combine to result in significant compression of net interest margin.

Efficient Operations and Operating Leverage

A key priority for CWB is to deliver consistent increases in adjusted cash earnings per share through business growth and strategic investment while maintaining effective control of costs. CWB's ongoing investment in people, technology and infrastructure is expected to contribute to long-term shareholder value through improved financial performance in future periods. In view of the level of necessary future investment to facilitate ongoing implementation of CWB's strategic direction, as well as the low probability of meaningful short-term improvement in net interest margin, management expects CWB's efficiency ratio to fluctuate at levels moderately higher than the recent past. Management is committed to disciplined control of all discretionary expenses, and positive operating leverage is expected over the medium-term.

Prudent Capital Management and Dividends

With a very strong capital position under the more conservative *Standardized* approach for calculating risk-weighted assets, CWB is well-positioned to continue to execute against our balanced growth strategy, strengthen shareholder returns and ensure resilience and flexibility through the maintenance of strong regulatory capital ratios. Ongoing support and development of each of CWB Group's core businesses will remain a key priority, while potential strategic acquisitions will continue to be evaluated.

At October 31, 2016, CWB's capital ratios were 9.2% CET1, 11.0% Tier 1 and 13.1% total capital. The increase in CWB's CET1 capital ratio from last year mainly reflects the issuance of \$150 million of common shares. Higher Tier 1 and Total capital ratios compared to last year include the impact of the common share issuance, as well as the issuance of \$140 million of preferred shares, partially offset by the redemption of \$300 million of subordinated debentures. Redemption of \$105 million of CWB Capital Trust Securities Series 1 (the "WesTS") on December 31, 2016 is expected to reduce CWB's Tier 1 and Total capital ratios by approximately 50 basis points.

Common share dividend increases are evaluated every quarter against the dividend payout ratio target of approximately 30%. The timing of future dividend increases will be influenced by capital requirements under the *Standardized* approach to support ongoing strong and balanced asset growth, as well as challenges related to persistent net interest margin pressure and ongoing macroeconomic uncertainty.

Overview of Continuing Operations

Q4 2016 vs. Q4 2015

Core operating performance was strong based on 6% growth of pre-tax, pre-provision (PTPP) income to \$89.5 million. Common shareholders' net income of \$47.8 million was down 10% from \$53.0 million a year ago. Net interest income and non-interest income both increased 7%; however, the combined impact of moderate growth of non-interest expenses, increased provisions for credit losses, acquisition-related fair value changes and higher preferred share dividends resulted in lower earnings. Higher net interest income reflects the benefit of very strong 13% loan growth, partially offset by a 13 basis point decrease in net interest margin (teb) to 2.36%. Increased non-interest income mainly reflects growth in credit related fees and trust services revenue, partially offset by a decrease in 'other' non-interest income. 'Other' non-interest income last year included gains on the sale of residential mortgages. Increased non-interest expenses primarily relate to higher salaries and benefits reflecting the combined impact of acquisition-related increases in staffing, hiring activity in support of business growth and annual salary increments. The fourth quarter provision for credit losses was 24 basis points, compared to 18 basis points last year. Of the provision this quarter, 13 basis points related to non-oil and gas loans, and 11 basis points comprised an increase in the collective allowance. The latter factor is consistent with expectations for the collective allowance to fluctuate as a result of portfolio growth and normal progress through the credit cycle. Provisions for direct oil and gas exposures were not material this quarter.

Financial Summary

Diluted earnings per common share of \$0.54 and adjusted cash earnings per common share, which excludes the acquisition-related amortization of intangible assets and contingent consideration fair value changes, net of tax, of \$0.59 declined 18% and 12%, respectively. This reflects the factors discussed above, as well as the issuance of common shares this year.

Q4 2016 vs. Q3 2016

Common shareholders' net income increased 5% mainly due to lower provisions for credit losses. Net interest income was relatively unchanged as 1% loan growth was offset by a four basis point decline in net interest margin (teb). Non-interest income was also relatively consistent with the prior quarter, as the positive impact of increased credit related and retail services fees was offset by lower 'other' non-interest income. Gains on the sale of residential mortgages led to elevated 'other' non-interest income last quarter. Non-interest expenses increased 3% primarily due to higher full-time salaries as certain previously capitalized salaries related to the new core banking system are now expensed. Diluted and adjusted cash earnings per common share were both down 2%. PTPP income was 3% lower as total revenues were relatively unchanged while non-interest expenses increased 3%.

2016 vs. 2015

PTPP income of \$353.8 million was up 8%, while common shareholders' net income of \$177.8 million was 15% lower, reflecting factors similar to those discussed above. Growth of 7% in net interest income (teb) was driven by very strong loan growth, partially offset by the impact of a 13 basis point reduction in net interest margin (teb) to 2.43%. Non-interest income was also 7% higher, mainly due to growth of credit related fees, lower net losses on securities and increased trust services revenue. The annual provision for credit losses was 38 basis points as a percentage of average loans, compared to 17 basis points last year, with the increase entirely attributed to losses recorded against oil and gas loans. Net new specific provisions represented 32 basis points of average loans, approximately 20 basis points of which related to CWB's small portfolio of oil and gas loans. Credit quality as measured by the provision for credit losses related to non-oil and gas loans remained stable. This portion, which represents approximately 99% of CWB's overall portfolio, accounted for approximately 12 basis points of net new specific provisions in 2016, consistent with the prior year. Acquisition-related fair value changes were \$7.9 million, compared to \$0.6 million last year, and preferred share dividends of \$10.6 million were up from \$5.5 million due to the issuance of preferred shares this year. The 7% increase in non-interest expenses primarily reflects higher salaries and benefits as well as increased premises and other expenses to facilitate business growth. CWB Maxium accounted for approximately 30% of the total increase in non-interest expenses, while combined amortization and sustainment costs related to the new core banking system after implementation accounted for approximately 15%. Diluted earnings per common share of \$2.13 were down 18%, and adjusted cash earnings per common share of \$2.26 were down 14%.

Adjusted ROE and ROA

The quarterly adjusted return on common shareholders' equity (ROE) of 10.1% decreased 190 basis points from a year earlier and was relatively consistent with the prior quarter. Adjusted ROE for the year of 9.9% was down from 12.6% in 2015, reflecting both lower earnings and the issuance of common shares this year. Fourth quarter return on assets (ROA) was 0.76%, compared to 0.94% last year and 0.73% in the previous quarter. ROA for the year was 0.73%, down 24 basis points from 2015.

Net Interest Margin

Fourth quarter net interest margin (teb) of 2.36% declined 13 basis points compared to last year primarily due to lower asset yields and slightly increased marginal funding costs, partially offset by favourable changes in deposit mix. Loan yields remained under pressure due to both the low interest rate environment and competitive factors. Net interest margin (teb) was down four basis points from the prior quarter reflecting similar factors, partially offset by the absence of the one-time impact of a change in methodology for the recognition of certain loan fees recorded last quarter. Annual net interest margin (teb) of 2.43% was also down 13 basis points. The change from last year reflects factors similar to those discussed above, with the addition of a negative impact on loan yields from the Bank of Canada's 2015 rate cuts, partially offset by the positive impact of these rate cuts on some deposit costs.

Financial Summary

Efficient Operations and Positive Operating Leverage

The quarterly efficiency ratio (teb), which measures non-interest expenses as a percentage of total revenues (teb) was 47.0%, relatively unchanged from the fourth quarter last year and up from 45.4% last quarter. The annual efficiency ratio (teb) of 46.5% improved from 46.8% in 2015. Operating leverage was positive 1%.

Loan Growth

CWB achieved another year of double-digit loan growth in 2016, marking the 26th time in 27 years we have achieved this significant level of performance. Total loans, excluding the allowance for credit losses, of \$22,065 million grew 13% (\$2,495 million) over the past twelve months, including 1% (\$211 million) in the fourth quarter. Acquisition of the CWB Franchise Finance portfolio contributed approximately \$350 million for the year, and net originations within CWB Maxium were approximately \$300 million, both primarily within the general commercial category. General commercial loans made the greatest contribution to annual loan growth measured in dollars, followed by very strong performance in real estate project loans, and personal loans and mortgages. Participation in the *National Housing Act* Mortgage-backed Security (NHA MBS) program contributed \$391 million to growth within the latter category, including \$218 million contributed in the fourth quarter.

With respect to real estate project loans, CWB continued to finance well-capitalized developers on the basis of sound loan structures and acceptable pre-sale/lease levels. This portfolio contracted slightly during the fourth quarter in a manner consistent with management's expectations. Growth on a quarterly basis was led by personal loans and mortgages, mainly related to participation in the NHA MBS program, followed by growth in general commercial loans.

(unaudited) (\$ millions)	October 31 2016	% of total as at October 31 2016	July 31 2016	October 31 2015	% change from October 31 2015
General commercial loans	\$ 4,808	22 %	\$ 4,689	\$ 3,805	26 %
Real estate project loans	4,181	19	4,296	3,266	28
Personal loans and mortgages	4,064	18	3,776	3,318	22
Commercial mortgages	3,999	18	4,006	3,839	4
Equipment financing and leasing	3,693	17	3,724	3,772	(2)
Corporate lending ⁽¹⁾	1,099	5	1,106	1,257	(13)
Oil and gas production loans	221	1	257	313	(29)
Total loans outstanding ⁽²⁾	\$ 22,065	100 %	\$ 21,854	\$ 19,570	13 %

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

Lending activity in British Columbia showed the highest growth in dollar terms on a year-over-year basis, followed by Ontario. Loan growth within these two provinces accounted for more than 90% of the increase from 2015. The balance of outstanding loans in Alberta was relatively unchanged compared to last year. Alberta now represents approximately 36% of CWB's overall loan exposure by location of security, down from 50% in 2009. Very strong overall loan growth in view of the challenging operating environment in Alberta demonstrates the benefit of CWB's balanced growth strategy, which includes strategic objectives to achieve a more balanced geographic footprint and broader diversification within targeted sectors of Canada's commercial banking industry.

(unaudited) (\$ millions)	October 31 2016	% of total as at October 31 2016	July 31 2016	October 31 2015	% change from October 31 2015
British Columbia	\$ 7,808	36 %	\$ 7,793	\$ 6,539	19 %
Alberta	7,999	36	8,201	8,078	(1)
Ontario	3,347	15	2,962	2,338	43
Saskatchewan	1,355	6	1,364	1,303	4
Manitoba	704	3	671	540	30
Other	852	4	863	772	10
Total loans outstanding ⁽¹⁾	\$ 22,065	100 %	\$ 21,854	\$ 19,570	13 %

- (1) Total loans outstanding by province exclude the allowance for credit losses.

Financial Summary

Credit Quality

Overall credit quality continued to reflect sound underwriting, CWB's secured lending business model and generally supportive economic activity within most of CWB's key markets.

(unaudited) (\$ thousands)	For the three months ended			Change from October 31 2015
	October 31 2016	July 31 2016	October 31 2015	
Gross impaired loans, beginning of period	\$ 106,711	\$ 144,963	\$ 92,268	16 %
New formations	50,298	14,288	36,104	39
Reductions, impaired accounts paid down or returned to performing status	(10,355)	(21,551)	(26,364)	(61)
Write-offs	(19,442)	(30,989)	(7,103)	174
Total⁽¹⁾	\$ 127,212	\$ 106,711	\$ 94,905	34 %
Balance of the ten largest impaired accounts	\$ 61,397	\$ 54,106	\$ 55,665	10 %
Total number of accounts classified as impaired ⁽³⁾	232	180	117	98
Gross impaired loans as a percentage of total loans	0.58 %	0.49 %	0.49 %	9 bp ⁽²⁾

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of \$3,876 (July 31, 2016 - \$2,877 and October 31, 2015 - \$979).

(2) bp - basis point change.

(3) Total number of accounts excludes National Leasing.

The dollar level of gross impaired loans totaled \$127.2 million on October 31, 2016, compared to \$106.7 million last quarter and \$94.9 million a year earlier. The increase from prior periods was concentrated within Alberta, as total gross impaired loans in that province of \$64.8 million increased from \$41.7 million in the fourth quarter last year, and \$42.6 million in the prior quarter. The change in Alberta gross impaired loans from last quarter included an increase of \$13.6 million within the commercial category. Gross impaired loans within the oil and gas production lending portfolio totaled \$16.9 million, compared to \$22.8 million last year and \$17.2 million last quarter. Total fourth quarter gross impaired loans from CWB's equipment financing and leasing exposures were \$40.2 million compared to \$19.6 million last year and \$35.7 million last quarter. Approximately 52% of the impaired balance in this category is comprised of Alberta exposures, compared to 24% last year and 50% last quarter. Gross impaired loans as a percentage of total loans of 0.58% increased from 0.49% both last year and in the previous quarter. The balance of loans classified as past due but not impaired increased 63% from last year, with the majority of the increase occurring in the third quarter. This balance declined 17% during the fourth quarter to \$229.1 million, including a 23% decrease within the personal category to \$94.5 million. Fluctuations in past due loans do not necessarily correlate to subsequent increases in gross impaired loans or specific allowances.

The quarterly provision for credit losses represented 24 basis points of average loans, compared to 18 basis points last year and 32 basis points in the prior quarter. Of the provision this quarter, 13 basis points related to non-oil and gas loans, and 11 basis points comprised an increase in the collective allowance. Provisions for direct oil and gas exposures were not material this quarter.

The annual provision for credit losses was 38 basis points as a percentage of average loans, compared to 17 basis points last year, with the increase entirely attributed to specific allowances recorded against oil and gas loans. Increases to the collective allowance for credit losses in the third and fourth quarters contributed to 11% (\$11.3 million) overall year-over-year growth of the collective allowance, which now stands at \$110.9 million. The total allowance for credit losses of \$127.2 million represented 100% of total gross impaired loans at October 31, 2016, compared to 122% last year.

Overview of Combined Operations

Q4 2016 vs. Q4 2015 and Q4 2016 vs. Q3 2016

The results of Combined Operations did not differ materially from Continuing Operations.

2016 vs. 2015

Common shareholders' net income of \$177.8 million was down from \$319.7 million. Diluted earnings per share of \$2.13 compared to \$3.97, and adjusted cash earnings per common share of \$2.26 decreased from \$4.01. Excluding the impact of \$107.8 million of gains related to the divestitures of Canadian Direct Insurance and the stock transfer business of Valiant Trust last year, the changes in common shareholders' net income and earnings

Financial Summary

per share primarily reflect the factors discussed within the overview of Continuing Operations above.

Adjusted ROE and ROA

The quarterly adjusted return on common shareholders' equity (ROE) and return on assets (ROA) were materially consistent with the results of Continuing Operations. Adjusted ROE for the year of 9.9% was down from 19.3% last year when divestiture gains were realized. ROA for the year was 0.73%, down from 1.48% in 2015.

Dividends

On November 30, 2016, CWB's Board of Directors declared a cash dividend of \$0.23 per common share, payable on January 5, 2017 to shareholders of record on December 15, 2016. This quarterly dividend is consistent with the prior quarter and the dividend declared one year ago. The Board of Directors also declared a cash dividend of \$0.275 per Series 5 Preferred Share, and a cash dividend of \$0.390625 per Series 7 Preferred Share, both payable on January 31, 2017 to shareholders of record on January 20, 2017.

Dividend Reinvestment Plan

CWB common shares (TSX: CWB) and preferred shares (TSX: CWB.PR.B and CWB.PR.C) are deemed eligible to participate in CWB'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 CWB's website. CWB has elected to issue common shares for the Plan from treasury at the average market price (as defined in the Plan).

Medium-term Performance Target Ranges for Continuing Operations

Performance target ranges reflect the objectives embedded within CWB's strategic direction and a time horizon consistent with the longer-term interests of CWB shareholders. Target ranges for key financial metrics over a three- to five-year time horizon are presented in the following table:

	Medium-term Performance Target Ranges	Current Context
Adjusted cash earnings per common share growth ⁽¹⁾	7 - 12%	Earnings and profitability for 2016 reflect the credit performance of CWB's oil and gas loans and lower net interest margin.
Adjusted return on common shareholders' equity ⁽²⁾	12 - 15%	
Operating leverage ⁽³⁾	Positive	Fiscal 2016 operating leverage was positive 1%.
Common equity Tier 1 capital ratio under the Standardized approach ⁽⁴⁾	Strong	Q4 2016 ratio of 9.2% is very strong.
Common share dividend payout ratio ⁽⁵⁾	~30%	Fiscal 2016 ratio of 43% includes both the impact of the credit performance of oil and gas loans and the issuance of common shares.

- (1) Adjusted cash earnings per common share is calculated as diluted earnings per common share excluding the acquisition-related amortization of intangible assets and the contingent consideration fair value changes, net of tax, which represent charges that are not considered to be indicative of ongoing operating performance. Performance for adjusted cash earnings per common share is the current year results over the prior year results.
- (2) Adjusted return on common shareholders' equity is calculated as common shareholders' net income excluding the acquisition-related amortization of intangible assets and the contingent consideration fair value changes, net of tax, divided by average common shareholders' equity.
- (3) Operating leverage is calculated as total revenue (teb) growth over the past twelve months, less non-interest expense growth over the past twelve months, excluding the pre-tax amortization of acquisition-related intangible assets.
- (4) Common equity Tier 1 capital ratio is calculated in accordance with Basel III guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI) using the *Standardized* approach for credit risk.
- (5) Common share dividend payout ratio is calculated as common share dividends declared during the past twelve months divided by common shareholders' net income from Continuing Operations earned over the same period.

Medium-term performance target ranges are based on expectations for moderate economic growth and a relatively stable interest rate environment in Canada over the three- to five-year forecast horizon. Achievement of overall financial results within these target ranges will be largely driven by CWB's commitment to continue to deliver ongoing strong loan growth at levels relatively consistent with recent performance, further optimization of CWB's funding mix, stable credit quality, effective expense management in consideration of revenue growth opportunities, and prudent capital management.

Financial Summary

Fiscal 2016 Fourth Quarter and Annual Results Conference Call

CWB's fourth quarter and annual results conference call is scheduled for Thursday, December 1, 2016, at **2:00 p.m. ET (12:00 noon MT)**. CWB'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 647-426-7679 or toll-free 1-877-446-0330. The call will also be webcast live on the CWB's website, www.cwb.com.

A replay of the conference call will be available until December 8, 2016, by dialing 1-800-585-8367 (toll-free) and entering passcode 19731451.

About CWB Group

CWB Group (CWB) is a diversified financial services organization serving businesses and individuals across Canada. Operating from its headquarters in Edmonton, Alberta, CWB's key business lines include full-service business and personal banking offered through 42 branches of Canadian Western Bank and Internet banking services provided by Canadian Direct Financial (CDF). Highly responsive specialized financing is delivered under the banners of CWB Equipment Financing, National Leasing, CWB Maxium Financial, CWB Franchise Finance and CWB Optimum Mortgage. Trust Services are offered through Canadian Western Trust. Comprehensive wealth management offerings are provided through CWB Wealth Management, which includes the businesses of Adroit Investment Management, McLean & Partners Wealth Management and Canadian Western Financial. As a public company on the Toronto Stock Exchange (TSX), CWB trades under the symbols "CWB" (common shares), "CWB.PR.B" (Series 5 Preferred Shares) and "CWB.PR.C" (Series 7 Preferred Shares). Learn more at www.cwb.com.

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Consolidated Balance Sheets

(unaudited) (\$ thousands)	As at October 31 2016	As at July 31 2016	As at October 31 2015	Change from October 31 2015	
Assets					
Cash Resources					
Cash and non-interest bearing deposits with financial institutions	\$ 11,490	\$ 38,025	\$ 23,949	(52)	%
Interest bearing deposits with regulated financial institutions	890,516	544,793	412,768	116	
Cheques and other items in transit	18,050	10,435	6,705	169	
	920,056	593,253	443,422	107	
Securities					
Issued or guaranteed by Canada	1,142,798	1,306,045	1,364,862	(16)	
Issued or guaranteed by a province or municipality	291,947	546,335	620,904	(53)	
Other debt securities	154,648	214,244	346,299	(55)	
Preferred shares	119,201	123,580	143,868	(17)	
Common shares	-	-	75,179	(100)	
	1,708,594	2,190,204	2,551,112	(33)	
Securities Purchased Under Resale Agreements	163,318	195,079	-	100	
Loans					
Personal	4,063,552	3,775,988	3,318,254	22	
Business	18,001,584	18,078,402	16,251,530	11	
	22,065,136	21,854,390	19,569,784	13	
Allowance for credit losses	(103,788)	(109,888)	(94,401)	10	
	21,961,348	21,744,502	19,475,383	13	
Other					
Property and equipment	57,330	57,808	61,356	(7)	
Goodwill	84,762	84,488	43,781	94	
Intangible assets	149,312	148,941	106,103	41	
Derivative related	10,370	13,155	23,245	(55)	
Other assets	167,459	158,011	134,125	25	
	469,233	462,403	368,610	27	
Total Assets	\$ 25,222,549	\$ 25,185,441	\$ 22,838,527	10	%
Liabilities and Equity					
Deposits					
Personal	\$ 13,223,702	\$ 13,098,162	\$ 11,416,621	16	%
Business and government	7,970,851	8,058,728	7,948,786	-	
	21,194,553	21,156,890	19,365,407	9	
Other					
Cheques and other items in transit	27,683	93,651	60,258	(54)	
Derivative related	7,172	7,062	4,503	59	
Other liabilities	382,130	341,159	308,837	24	
	416,985	441,872	373,598	12	
Debt					
Debt securities	943,198	954,002	562,623	68	
Subordinated debentures	325,000	325,000	625,000	(48)	
	1,268,198	1,279,002	1,187,623	7	
Equity					
Preferred shares	265,000	265,000	125,000	112	
Common shares	718,377	717,208	537,511	34	
Retained earnings	1,354,966	1,327,554	1,261,678	7	
Share-based payment reserve	31,276	30,623	29,210	7	
Other reserves	(27,579)	(33,130)	(42,492)	(35)	
Total Shareholders' Equity	2,342,040	2,307,255	1,910,907	23	
Non-controlling interests	773	422	992	(22)	
Total Equity	2,342,813	2,307,677	1,911,899	23	
Total Liabilities and Equity	\$ 25,222,549	\$ 25,185,441	\$ 22,838,527	10	%

Consolidated Statements of Income

(unaudited) (\$ thousands, except per share amounts)	For the three months ended			Change from October 31 2015	For the year ended		Change from October 31 2015
	October 31 2016	July 31 2016	October 31 2015		October 31 2016	October 31 2015	
Interest Income							
Loans	\$ 240,114	\$ 237,877	\$ 218,149	10 %	\$ 928,257	\$ 855,367	9 %
Securities	5,929	6,491	9,860	(40)	28,703	40,381	(29)
Deposits with regulated financial institutions	2,081	1,329	502	315	5,029	2,522	99
	248,124	245,697	228,511	9	961,989	898,270	7
Interest Expense							
Deposits	90,855	89,518	79,160	15	346,498	316,838	9
Debt	8,144	7,308	9,632	(15)	30,267	37,960	(20)
	98,999	96,826	88,792	11	376,765	354,798	6
Net Interest Income	149,125	148,871	139,719	7	585,224	543,472	8
Non-interest Income							
Credit related	8,761	7,496	7,158	22	30,598	27,855	10
Wealth management services	3,473	3,498	3,542	(2)	14,021	14,448	(3)
Retail services	3,403	3,044	3,491	(3)	13,617	13,697	(1)
Trust services	2,964	2,734	2,508	18	11,522	10,816	7
Gains (losses) on securities, net	52	2	26	100	(2,830)	(4,324)	(35)
Other	474	2,767	1,224	(61)	5,744	5,456	5
	19,127	19,541	17,949	7	72,672	67,948	7
Total Revenue	168,252	168,412	157,668	7	657,896	611,420	8
Provision for Credit Losses	13,110	17,402	8,636	52	79,115	31,009	155
Acquisition-related Fair Value Changes	3,917	3,940	-	100	7,857	638	nm
Non-interest Expenses							
Salaries and employee benefits	52,278	50,662	48,425	8	204,903	191,289	7
Premises and equipment	14,273	13,760	11,819	21	52,539	47,478	11
Other expenses	14,578	14,082	15,530	(6)	56,205	54,722	3
	81,129	78,504	75,774	7	313,647	293,489	7
Net Income before Income Taxes from Continuing Operations	70,096	68,566	73,258	(4)	257,277	286,284	(10)
Income Taxes	18,435	18,492	18,606	(1)	67,943	71,319	(5)
Net Income from Continuing Operations	51,661	50,074	54,652	(5)	189,334	214,965	(12)
Net Income Attributable to Non-Controlling Interests	265	192	308	(14)	961	1,401	(31)
Shareholders' Net Income from Continuing Operations	51,396	49,882	54,344	(5)	188,373	213,564	(12)
Preferred share dividends	3,562	4,300	1,375	159	10,612	5,500	93
Common Shareholders' Net Income from Continuing Operations	47,834	45,582	52,969	(10)	177,761	208,064	(15)
Common Shareholders' Net Income from Discontinued Operations	-	-	169	(100)	-	111,637	(100)
Common Shareholders' Net Income	\$ 47,834	\$ 45,582	\$ 53,138	(10) %	\$ 177,761	\$ 319,701	(44) %
Average number of common shares (in thousands)	88,073	83,564	80,498	9 %	83,411	80,442	4 %
Average number of diluted common shares (in thousands)	88,073	83,564	80,499	9	83,419	80,582	4
Earnings Per Common Share							
Basic - Continuing Operations	\$ 0.54	\$ 0.55	\$ 0.66	(18) %	\$ 2.13	\$ 2.59	(18) %
- Combined Operations	0.54	0.55	0.66	(18)	2.13	3.97	(46)
- Discontinued Operations	-	-	-	-	-	1.38	(100)
Diluted - Continuing Operations	0.54	0.55	0.66	(18)	2.13	2.59	(18)
- Combined Operations	0.54	0.55	0.66	(18)	2.13	3.97	(46)
- Discontinued Operations	-	-	-	-	-	1.38	(100)

nm - not meaningful

Consolidated Statements of Comprehensive Income

(unaudited) (\$ thousands)	For the three months ended		For the year ended	
	October 31 2016	October 31 2015	October 31 2016	October 31 2015
Net Income from Continuing Operations	\$ 51,661	\$ 54,652	\$ 189,334	\$ 214,965
Common Shareholders' Net Income from Discontinued Operations	-	169	-	111,637
Net Income	51,661	54,821	189,334	326,602
Other Comprehensive Income (Loss), net of tax				
Available-for-sale securities:				
Gains (losses) from change in fair value ⁽¹⁾	5,885	(19,803)	20,799	(59,593)
Reclassification to net income ⁽²⁾	(38)	(18)	2,158	6,612
	5,847	(19,821)	22,957	(52,981)
Derivatives designated as cash flow hedges:				
Gains (losses) from change in fair value ⁽³⁾	(275)	(3,031)	(8,157)	7,846
Reclassification to net income ⁽⁴⁾	(21)	89	113	3,640
	(296)	(2,942)	(8,044)	11,486
	5,551	(22,763)	14,913	(41,495)
Comprehensive Income for the Period	\$ 57,212	\$ 32,058	\$ 204,247	\$ 285,107
Comprehensive income for the period attributable to:				
Shareholders of CWB	\$ 56,947	\$ 31,750	\$ 203,286	\$ 283,706
Non-controlling interests	265	308	961	1,401
Comprehensive Income for the Period	\$ 57,212	\$ 32,058	\$ 204,247	\$ 285,107

(1) Net of income tax of \$2,155 and \$7,699 for the quarter and year ended October 31, 2016, respectively (2015 - \$7,287 and \$22,033).

(2) Net of income tax of \$14 and \$796 for the quarter and year ended October 31, 2016, respectively (2015 - \$8 and \$2,403).

(3) Net of income tax of \$101 and \$3,002 for the quarter and year ended October 31, 2016, respectively (2015 - \$1,116 and \$2,887).

(4) Net of income tax of \$8 and \$42 for the quarter and year ended October 31, 2016, respectively (2015 - \$33 and \$1,339).

Consolidated Statements of Changes in Equity

(unaudited) (\$ thousands)	For the year ended	
	October 31 2016	October 31 2015
Retained Earnings		
Balance at beginning of year	\$ 1,261,678	\$ 1,011,147
Shareholders' net income from continuing operations	188,373	213,564
Common shareholders' net income from discontinued operations	-	111,637
Dividends	(10,612)	(5,500)
- Preferred shares	(76,424)	(69,170)
- Common shares	(8,049)	-
Issuance costs on common and preferred shares	1,354,966	1,261,678
Balance at end of year	1,354,966	1,261,678
Other Reserves		
Balance at beginning of year	(42,492)	(997)
Changes in available-for-sale securities	22,957	(52,981)
Changes in derivatives designated as cash flow hedges	(8,044)	11,486
Balance at end of year	(27,579)	(42,492)
Preferred Shares		
Balance at beginning of year	125,000	125,000
Issued	140,000	-
Balance at end of year	265,000	125,000
Common Shares		
Balance at beginning of year	537,511	533,038
Issued to public	150,063	-
Issued on acquisition of subsidiary	25,606	-
Issued under dividend reinvestment plan	4,491	3,650
Transferred from share-based payment reserve on the exercise or exchange of options	706	823
Balance at end of year	718,377	537,511
Share-based Payment Reserve		
Balance at beginning of year	29,210	25,339
Amortization of fair value of options	2,772	4,694
Transferred to common shares on the exercise or exchange of options	(706)	(823)
Balance at end of year	31,276	29,210
Total Shareholders' Equity	2,342,040	1,910,907
Non-Controlling Interests		
Balance at beginning of year	992	1,066
Net income attributable to non-controlling interests	961	1,401
Dividends to non-controlling interests	(1,033)	(1,376)
Partial ownership increase	(147)	(99)
Balance at end of year	773	992
Total Equity	\$ 2,342,813	\$ 1,911,899

Consolidated Statements of Cash Flow

(unaudited) (\$ thousands)	For the year ended	
	October 31 2016	October 31 2015
Cash Flows from Operating Activities		
Net income from continuing operations	\$ 189,334	\$ 214,965
Common shareholders' net income from discontinued operations	-	111,637
Adjustments to determine net cash flows:		
Gain on sale of discontinued operations	-	(107,808)
Provision for credit losses	79,115	31,009
Depreciation and amortization	24,581	21,417
Current income taxes receivable and payable	(17,424)	1,054
Amortization of fair value of employee stock options	2,772	4,694
Accrued interest receivable and payable, net	7,705	3,157
Losses on securities, net	2,830	4,607
Deferred income taxes, net	(3,045)	(4,589)
Acquisition-related fair value changes	7,857	638
Change in operating assets and liabilities:		
Deposits, net	1,829,146	1,992,393
Loans, net	(2,218,973)	(1,969,903)
Securities purchased under resale agreements, net	(163,318)	99,566
Other items, net	29,242	(9,549)
	(230,178)	393,288
Cash Flows from Financing Activities		
Common shares issued, net of issuance costs	145,176	3,650
Preferred shares issued, net of issuance costs	136,838	-
Debt securities issued	734,376	371,336
Debt securities repaid	(353,801)	(220,703)
Debentures redeemed	(300,000)	-
Dividends	(82,545)	(74,670)
Distributions to non-controlling interests	(1,033)	(1,376)
	279,011	78,237
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	(477,748)	44,411
Securities, purchased	(10,760,756)	(6,663,035)
Securities, sale proceeds	8,638,234	4,979,789
Securities, matured	2,990,500	1,001,632
Proceeds from disposal of discontinued operations	-	215,710
Property, equipment and intangibles	(38,507)	(41,153)
Partial ownership increase	(4,572)	(816)
Acquisitions	(364,523)	-
	(17,372)	(463,462)
Change in Cash and Cash Equivalents	31,461	8,063
Cash and Cash Equivalents at Beginning of Year	(29,604)	(37,667)
Cash and Cash Equivalents at End of Year *	\$ 1,857	\$ (29,604)
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	\$ 11,490	\$ 23,949
Cheques and other items in transit (included in Cash Resources)	18,050	6,705
Cheques and other items in transit (included in Other Liabilities)	(27,683)	(60,258)
Cash and Cash Equivalents at End of Year	\$ 1,857	\$ (29,604)
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	\$ 975,727	\$ 918,485
Interest paid	366,737	345,762
Income taxes paid	88,674	81,455