Bank Trust Wealth Management

2015 Second Quarter Financial Results Conference Call

June 4th, 2015

CANADIAN WESTERN BANK GROUP

Presenters' Agenda

Strategy & Outlook

Chris Fowler, President & CEO

- Performance highlights
- Strategic transactions
- Loan growth
- Credit quality
- Strategic direction

Financial Highlights

Carolyn Graham, Executive Vice President & CFO

- Second quarter and year-to-date financial performance

Performance Highlights

<u>Solid financial performance</u>

- Ongoing loan growth and sound credit quality
- Increasing contributions from complementary lines of business

<u>Compared to 2014</u>

- Second quarter common shareholders' net income from **Combined Operations** up 5%
- Year-to-date common shareholders' net income from **Combined Operations** up 4%

- Second quarter common shareholders' net income from **Continuing Operations** up 10%
- Year-to-date common shareholders' net income from **Continuing Operations** up 9%

Loans by Lending Sector

($ millions – excluding the allowance for credit losses)	Q2 15	Q2 14	Change $	Change %
Commercial mortgages	$ 3,748	$ 3,512	236	7
General commercial loans	3,632	3,525	107	3
Equipment financing and leasing	3,538	3,121	417	13
Personal loans & mortgages	3,005	2,665	340	13
Real estate project loans	3,142	2,632	510	19
Corporate lending	1,273	1,044	229	22
Oil & gas production loans	334	288	46	16
Total loans outstanding	$ 18,672	$ 16,787	$ 1,885	11%

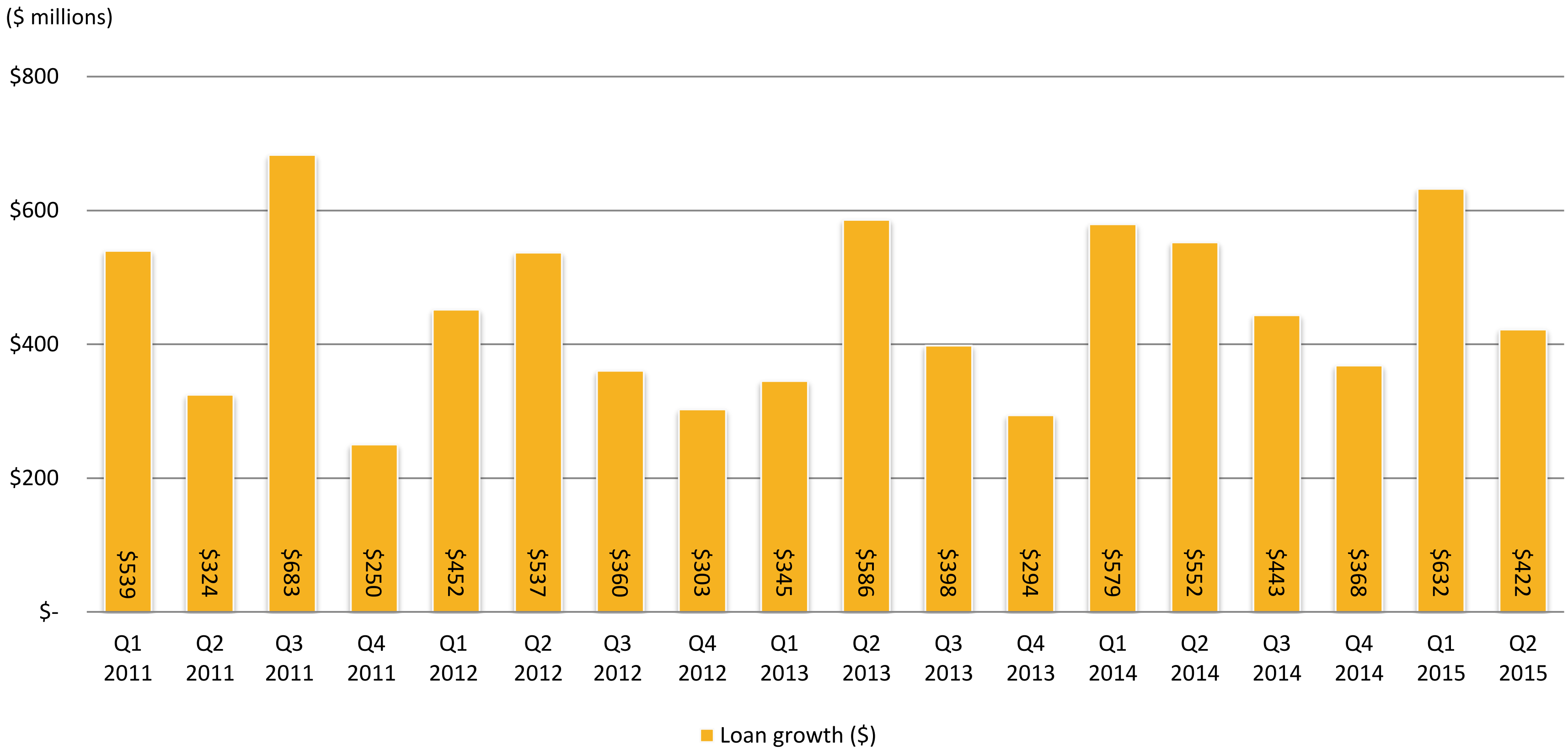
Summary of Divestitures

Description	✓ Intact Financial Corporation (Intact) acquired Canadian Direct Insurance (CDI)
	✓ Computershare Canada acquired the stock transfer business of Valiant Trust (Valiant)
Consideration	✓ Total cash proceeds of $230 million represents approximately 15 times the combined normalized earnings contributions of divested operations
Gains on sale	✓ Approximately $1.38 per common share to be realized in the third quarter
Use of proceeds	✓ Pursuing accretive, franchise-building investments, with a preference for opportunities in equipment financing and wealth management.

- CWB has defined the contributions of both CDI and Valiant's stock transfer business as "Discontinued Operations", the remaining operations as "Continuing Operations", and the total of Continuing Operations and Discontinued Operations as "Combined Operations"

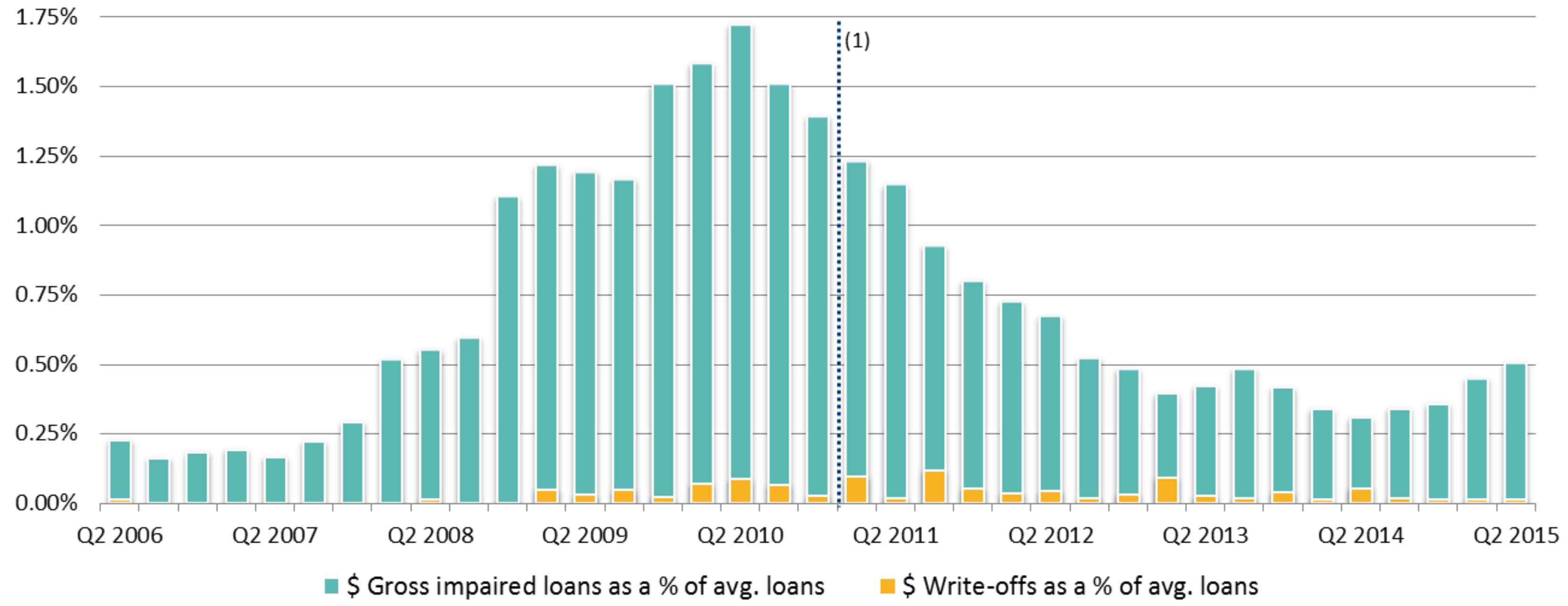
Quarterly Loan Growth

(including allowance for credit losses)



Financial Performance | Credit

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



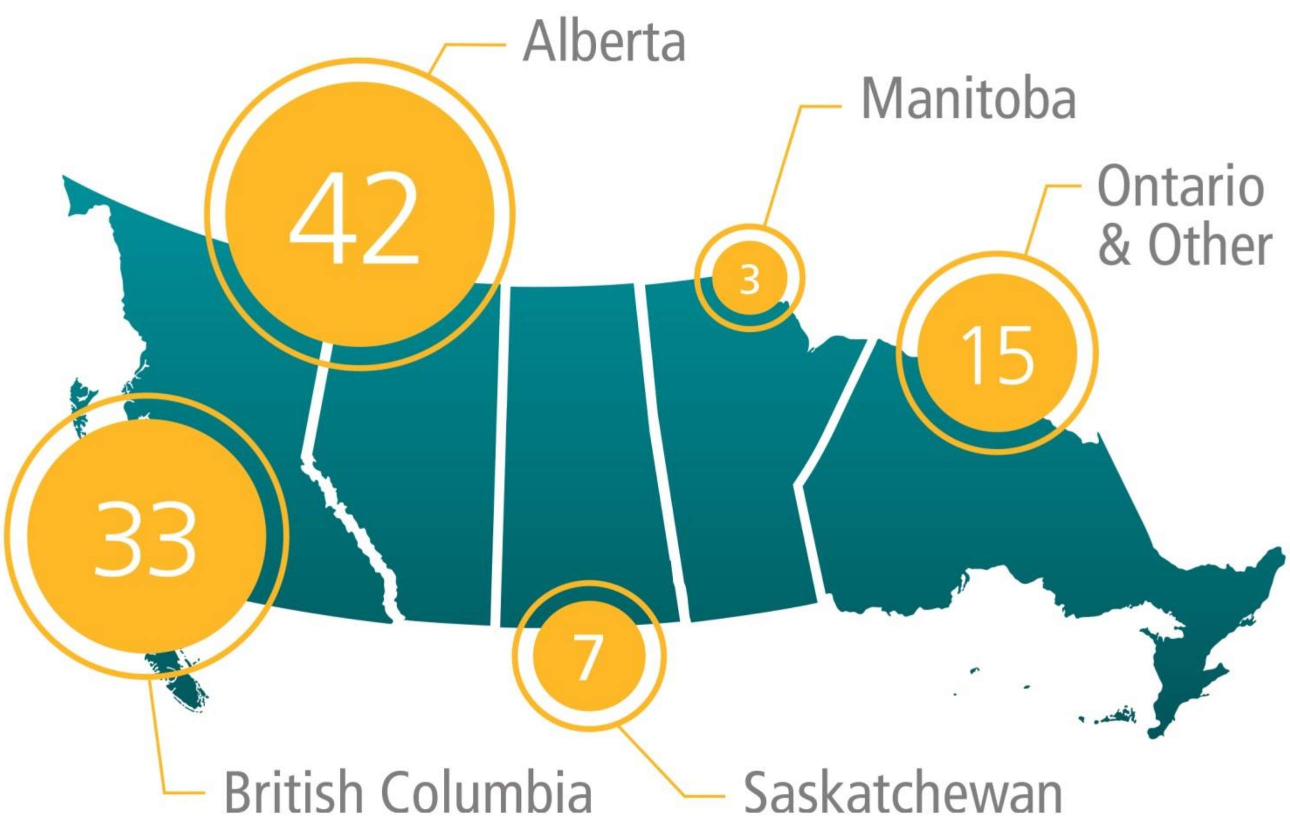
(1) As of Q1 11, financial results are reported under IFRS, as opposed to GAAP, and are not directly comparable.

- Expect ongoing solid credit quality with losses remaining within CWB's historical range of acceptable levels and the 2015 performance target range
- Low write-offs relative to the level of gross impaired loans reflect secured lending practices and disciplined underwriting

Stress Testing

- CWB performs regular stress tests to assess the potential impacts of various scenarios
- The following stress tests were performed during the second quarter:
  - 30% correction in Alberta and Saskatchewan real estate
  - CWB's historical peak credit losses realized simultaneously across all segments of the loan portfolio in Alberta and Saskatchewan
    - Related assumptions for both scenarios included:
      - Changes in interest rates
      - Higher balance sheet liquidity
      - Lower loan growth
      - Higher Standardized risk-weighted assets
- Consistent with past experience, results support the expectation that CWB would continue to deliver profits and maintain financial stability even under severe economic conditions

Strategy and Outlook | Locations and Loans by Province[1]



Banking Branches
Western Canada (41)

Equipment Leasing Centre
Winnipeg (Headquarters)
Satellite offices across Canada

Trust Services Offices
Vancouver
Toronto

Wealth Management Offices
Edmonton
Calgary

[1] Based on location of security in % terms

Quarterly Results for Continuing Operations (compared to Q2 14)

- Solid financial performance
  - Common shareholders’ net income of $51.5 million, up 10%
  - Adjusted cash earnings per common share of $0.65, up 10%
  - Total revenues, on a taxable equivalent basis (teb), of $151.2 million, up 6%
    - Net interest income (teb) of $133.1 million, up 9%
      - Strong 11% loan growth; net interest margin (teb) down two basis points
    - Non-interest income of $18.1 million, down 11%
      - Lower net gains on securities and ‘other’ non-interest income

Quarterly Results for Continuing Operations (compared to Q1 15)

- Common shareholders’ net income down 2%
- Adjusted cash earnings per common share down 2%
- Total revenues (teb) relatively unchanged
  - Net interest income (teb) down 1%
    - Loan growth of 2%; three fewer days; net interest margin down two basis points
  - Non-interest income relatively unchanged
    - Higher ‘other’ non-interest income and retail fees; decreases in other categories

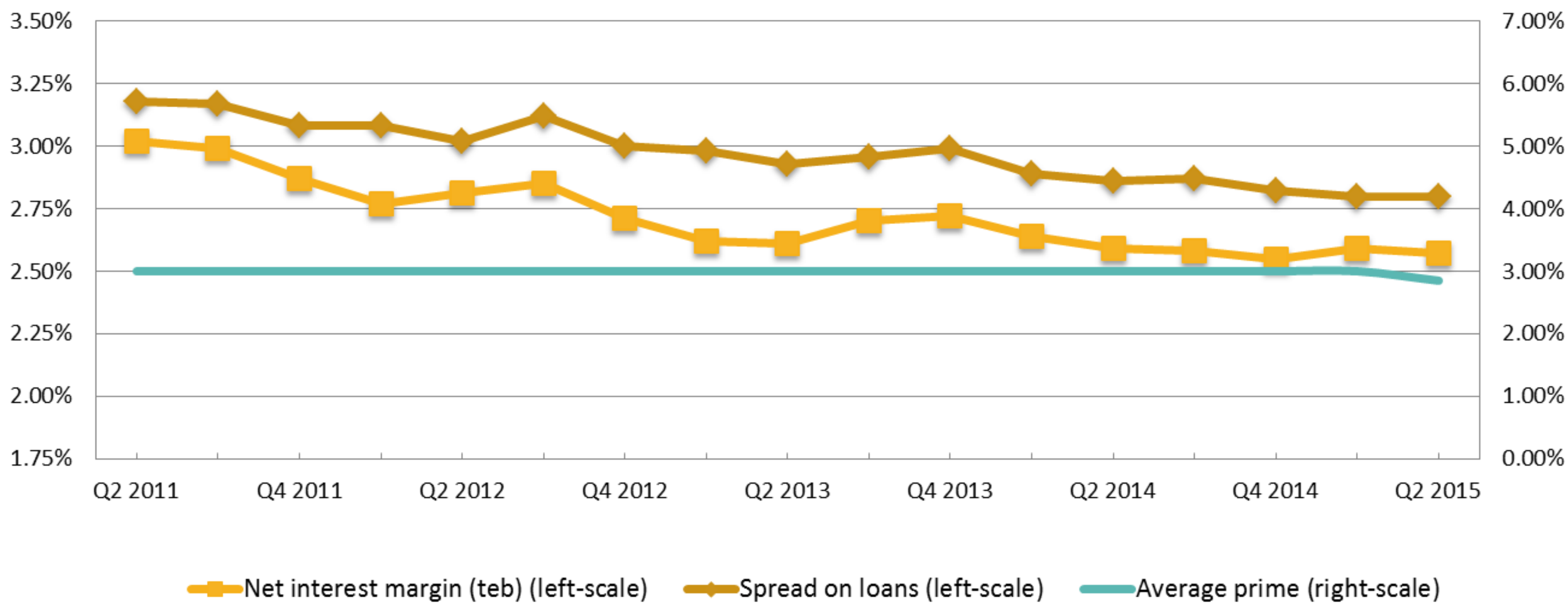
Year-to-date Results for Continuing Operations (compared to YTD 14)

- Common shareholders' net income up 9%
- Adjusted cash earnings per common share up 8%
- Total revenues (teb) up 6%
  - Net interest income (teb) up 9%
    - Loan growth of 6%; net interest margin down four basis points
  - Non-interest income down 12%
    - Gains in most categories more than offset by significant decrease in net gains on securities

Regulatory Capital Ratios (Standardized approach for calculating risk-weighted assets)	**Q2 15**	Regulatory Minimum
Common equity Tier 1 capital (CET1)	**7.9%**	7.0 %
Tier 1 capital	**9.1%**	8.5 %
Total capital	**12.1%**	10.5 %
Basel III Leverage Ratio	**7.7%**	3.0%

Financial Performance | Margin

Net Interest Margin (teb) and Spread on Loans



- Net interest margin (teb) down two basis points from Q2 14
  - Lower loan yields due to competitive factors and the Bank of Canada rate cut, partially offset by more favourable deposit costs and lower average balances of cash and securities
- Net interest margin (teb) down two basis points from prior quarter
  - Lower loan yields partially offset by more favourable deposit costs
- Net interest margin (teb) down four basis points on a year-to-date basis
  - Reflects factors similar to those described above in the comparison to Q2 14

2015 Combined Operations

	2015 Target Ranges for Performance from Combined Operations	2015 Year-to-Date Performance from Combined Operations
Adjusted cash earnings per common share growth (1)(2)	5 – 8%	4%
Loan growth (3)	10 – 12%	11%
Provision for credit losses as a percentage of average loans (4)	0.17 – 0.22%	0.16%
Efficiency ratio (teb) (5)	< 47%	48.2%
Return on common shareholders' equity (6)	14.0 – 15.0%	13.6%
Return on assets (7)	1.07 – 1.12%	1.03%

(1) Year-to-date performance for adjusted cash earnings per common share and total revenue growth (teb) is the current year results over the same period last year. (2) Adjusted cash earnings per common share is calculated as diluted earnings per common share excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of contingent consideration (which represent non-cash charges that are not considered to be indicative of ongoing business performance). (3) Loan growth is the increase over the past twelve months. (4) Year-to-date provision for credit losses, annualized, divided by average total loans. (5) Efficiency ratio (teb) is calculated as non-interest expenses divided by total revenues (teb) excluding the non-tax deductible change in fair value of contingent consideration. (6) Return on common shareholders' equity is calculated as annualized net income available to common shareholders divided by average common shareholders' equity. (7) Return on assets is calculated as annualized net income available to common shareholders divided by average total assets.

- As a result of gains on sale from the May 1st divestitures, growth in adjusted cash earnings per common share and performance compared to the target ranges for efficiency and key profitability ratios will surpass expectations at the start of the year.
- Recognizing the financial impacts of these gains and elimination of future earnings contributions from the divested businesses, management has determined that, with the exception of targets related to loan growth and credit quality, the performance target ranges established for the 2015 fiscal year are not meaningful for Continuing Operations.

Advisory

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 or U.S. economy. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may impact" and other similar expressions, or future or conditional verbs such as "will", "should", "would" and "could."

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

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

Assumptions about the performance of the Canadian economy in 2015 and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2015 considered expectations for performance from Combined Operations and the following management assumptions:

Moderate economic growth in Canada and relatively stronger performance in the four western provinces; a relatively stable net interest margin (teb) compared to the level achieved in the fourth quarter of 2014, primarily attributed to treasury management strategies and shifts in asset mix that help to offset impacts from the very low interest rate environment, a flat interest rate curve and competitive factors; and sound credit quality with actual losses remaining within CWB's historical range of acceptable levels.

A number of potential risks that could have a material adverse impact on economic expectations and forecasts were identified, including a sustained period of materially lower energy and other commodity prices compared to average levels observed in fiscal 2014, a slowing rate of economic growth in the U.S., a significant and sustained deterioration in Canadian residential real estate prices, or a significant disruption in major global economies. Greater than expected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact loan yields and/or funding costs were also identified as risks which may contribute to adverse financial results compared to expectations.

Notwithstanding the increase in recent months, energy prices in the second quarter remained well below average levels observed last year. As a result, expectations for stronger relative economic performance in Alberta and Saskatchewan have been adjusted downward, elevating the risk of deterioration in residential real estate prices within these markets. However, moderate economic growth in Canada is still expected and the outlook for economic growth in British Columbia, Manitoba and Ontario has improved with lower energy costs and a lower Canadian dollar. The persistent very low interest rate environment, reinforced by the Bank of Canada's January 2015 interest rate cut, has a negative impact on loan yields and is expected to continue to constrain improvement in net interest margin compared to expectations at the start of the year.