CANADIAN WESTERN BANK GROUP
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NEWS RELEASE

CWB reports record earnings for the fourth quarter and fiscal 2013

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

- Record net income available to common shareholders of $51.2 million, up 19% ($8.2 million).
- Diluted earnings per common share of $0.64 and adjusted cash earnings per common share[1] of $0.65, both up 16%.
- Record total revenues, on a taxable equivalent basis (teb)[1], of $152.7 million, up 15% ($19.5 million).
- Stable Basel III regulatory capital ratios[1] using the *Standardized* approach for calculating risk-weighted assets of 8.0% common equity Tier 1 (CET1), 9.7% Tier 1 and 13.9% total ratio.
- On December 4, 2013, declared a quarterly dividend of $0.19 per CWB common share, an increase of 6% over the prior quarter and 12% over the dividend declared a year earlier.
- Total assets surpassed $18 billion.
- Opened new, expanded branch premises in Yorkton, Saskatchewan to offer a full suite of business and personal banking services.
- Recognized for an eighth consecutive year as one of the *50 Best Employers in Canada* by *Aon Hewitt,* and as one of *Canada's 10 Most Admired Corporate Cultures* for a second time by *Waterstone Human Capital*.

(1) Highlights include certain non-IFRS measures – refer to definitions following the table of Selected Financial Highlights on page 2.

Fiscal 2013 Highlights (compared to the prior year)

- Record net income available to common shareholders of $187.2 million, up 9% ($15.0 million).
- Record diluted earnings per common share of $2.35, up 6%; record adjusted cash earnings per share of $2.39, up 4%.
- Strong loan growth of 12% ($1,623 million) with stable credit quality.
- Record total revenues (teb) of $572.5 million, up 9% ($47.0 million).
- Net interest margin (teb) of 2.70%, down 9 basis points.

Fiscal 2013 Performance versus Minimum Targets

2013 Minimum Targets	2013 Performance	
Net income available to common shareholders growth of 8%	9%	☑
Total revenues (teb) growth of 8%	9%	☑
Loan growth of 10%	12%	☑
Provision for credit losses between 0.18% - 0.23% of average loans	0.19%	☑
Efficiency ratio (teb)[1] of 46% or less	45.9%	☑
Return on common shareholders' equity[1] of 14%	14.1%	☑
Return on assets[1] of 1.05%	1.06%	☑

(1) Defined on page 2.

"Strong fourth quarter financial performance closed out a record year for CWB Group," said Chris Fowler, President and Chief Executive Officer of CWB. "Led by another year of double-digit loan growth, we met or exceeded all of our fiscal 2013 targets and have established ambitious expectations for our 2014 performance as well."

"We're confident about the growth prospects across CWB Group as we continue to execute on our strategic focus to partner with more clients, and do additional business with those who have already chosen us as their preferred financial institution. Our vision is to be seen as crucial to our clients' futures, and our success in achieving this starts with the collective dedication and effort of our tremendous team. I believe our unique, entrepreneurial culture is a core competitive advantage, and we're determined to build on this going forward. Recently, we were very happy to learn of CWB's placement as one of the *50 Best Employers in Canada* for the eighth consecutive year, and also to have been recognized again amongst *Canada's 10 Most Admired Corporate Cultures*. These external accolades are powerful testaments to CWB Group's commitment to our people, and the tremendous culture we've created together."

"Looking ahead, our pipeline for new loans remains promising and ongoing favourable economic conditions, particularly in our key western Canadian markets, further support our optimistic view. We will remain diligent in controlling expenses as we continue to grow and invest in each of our businesses; maintaining discipline in this regard will be especially important as we manage the constraints on net interest margin in the persistent very low interest rate environment," added Mr. Fowler.

Selected Financial Highlights

(unaudited) ($ thousands, except per share amounts)	For the three months ended **October 31 2013**	July 31 2013	October 31 2012	Change from October 31 2012	For the year ended **October 31 2013**	October 31 2012	Change from October 31 2012
Results of Operations							
Net interest income (teb – see below)	**$ 126,475**	$ 122,702	$ 113,246	12 %	**$ 477,501**	$ 443,572	8 %
Less teb adjustment	**2,062**	2,161	1,979	4	**8,138**	9,143	(11)
Net interest income per financial statements	**124,413**	120,541	111,267	12	**469,363**	434,429	8
Other income	**26,181**	23,032	19,932	31	**94,982**	81,910	16
Total revenues (teb)	**152,656**	145,734	133,178	15	**572,483**	525,482	9
Total revenues	**150,594**	143,573	131,199	15	**564,345**	516,339	9
Net income available to common shareholders	**51,210**	47,484	43,046	19	**187,163**	172,197	9
Earnings per common share							
Basic(1)	**0.64**	0.60	0.55	16	**2.36**	2.24	5
Diluted(2)	**0.64**	0.60	0.55	16	**2.35**	2.22	6
Adjusted cash(3)	**0.65**	0.61	0.56	16	**2.39**	2.30	4
Return on common shareholders' equity(4)	**14.9%**	14.0 %	13.8 %	110 bp	**14.1%**	15.0 %	(90) bp(5)
Return on assets(6)	**1.11**	1.06	1.03	8	**1.06**	1.08	(2)
Efficiency ratio (teb)(7)	**45.0**	45.9	46.7	(170)	**45.9**	44.8	110
Efficiency ratio	**45.6**	46.6	47.4	(180)	**46.5**	45.6	90
Net interest margin (teb)(8)	**2.75**	2.74	2.71	4	**2.70**	2.79	(9)
Net interest margin	**2.71**	2.69	2.67	4	**2.65**	2.73	(8)
Provision for credit losses as a percentage of average loans	**0.19**	0.20	0.17	2	**0.19**	0.19	-
Per Common Share							
Cash dividends	**$ 0.18**	$ 0.18	$ 0.16	13 %	**$ 0.70**	$ 0.62	13 %
Book value	**17.54**	17.06	15.94	10	**17.54**	15.94	10
Closing market value	**33.44**	28.92	29.56	13	**33.44**	29.56	13
Common shares outstanding (thousands)	**79,620**	79,372	78,743	1	**79,620**	78,743	1
Balance Sheet and Off-Balance Sheet Summary							
Assets	**$ 18,520,260**	$ 17,926,556	$ 16,873,269	10 %			
Loans	**15,576,893**	15,282,875	13,953,686	12			
Deposits	**15,526,040**	14,962,142	14,144,837	10			
Debt	**820,650**	852,789	634,273	29			
Shareholders' equity	**1,605,427**	1,563,103	1,464,981	10			
Assets under administration	**8,423,972**	8,209,949	7,171,826	17			
Assets under management	**1,901,146**	1,811,068	855,333	122			
Capital Adequacy(9)							
Common equity Tier 1 ratio	**8.0%**	7.9 %	n/a %	n/a bp			
Tier 1 ratio	**9.7**	9.6	10.6	(90)			
Total ratio	**13.9**	13.9	13.8	10			

(1) Basic earnings per common share (EPS) is calculated as net income available to common shareholders divided by the average number of common shares outstanding.
(2) Diluted EPS is calculated as net income available to common shareholders divided by the average number of common shares outstanding adjusted for the dilutive effects of stock options.
(3) Adjusted cash EPS is diluted EPS excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible change in fair value of contingent consideration. These exclusions represent non-cash charges and are not considered indicative of ongoing business performance. Management believes the adjusted results provide the reader with a better understanding about how they view 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 charge for the fair value of contingent consideration.
(8) Net interest margin is calculated as net interest income divided by average total assets.
(9) As of January 1, 2013, the Office of the Superintendent of Financial Institutions Canada (OSFI) adopted a new capital management framework called Basel III and capital is managed and reported in accordance with those requirements. Capital ratios prior to fiscal 2013 have been calculated using the previous framework, Basel II. Capital ratios calculated under Basel III are not directly comparable to the equivalent Basel II measures.

Taxable Equivalent Basis (teb)

Most banks analyze revenue on a taxable equivalent basis to permit uniform measurement and comparison of net interest income. Net interest income (as presented in the consolidated statement of income) includes tax-exempt income on certain securities. Since this income is not taxable, the rate of interest or dividends received is significantly lower than would apply to a loan or security of the same amount. The adjustment to taxable equivalent basis increases interest income and the provision for income taxes to what they would have been had the tax-exempt securities been taxed at the statutory rate. The taxable equivalent basis does not have a standardized meaning prescribed by 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.

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 the Bank'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, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition, the occurrence of weather-related and other 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 the Management's Discussion and Analysis (MD&A) in CWB's 2012 and 2013 Annual Reports. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause CWB's actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, CWB does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy in 2014 and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2014 consider the following management assumptions: a modest acceleration of economic growth in Canada and relatively stronger performance in the four western provinces; prices for energy and other commodities remaining at levels comparable with those observed at October 31, 2013; sound credit quality with actual losses remaining within the CWB's historical range of acceptable levels; and, a relatively stable net interest margin attributed to favourable deposit costs and shifts in asset mix that help to offset impacts from the very low interest rate environment and competitive factors. Potential risks that would have a material adverse impact on current economic expectations and forecasts include a global recession spurred by a return to negative growth in the euro zone, a slowing rate of economic growth in the United States and/or China, or a significant and sustained deterioration in Canadian residential real estate prices. Unexpected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact the costs of overall deposit funding may also contribute to adverse financial results compared to expectations.

Financial Summary

This financial summary should be read in conjunction with Canadian Western Bank's (CWB) unaudited interim consolidated financial statements for the period ended October 31, 2013 and the audited consolidated financial statements and Management's Discussion and Analysis (MD&A) for the year ended October 31, 2012, available on SEDAR at www.sedar.com and the Bank's website at www.cwb.com. An electronic copy of the 2013 Annual Report, including MD&A and audited consolidated financial statements, for the year ended October 31, 2013 is expected to be available on both SEDAR and CWB's website during the week of December 9, 2013. Hardcopies of the 2013 Annual Report will be distributed to shareholders in January 2014.

Strong fourth quarter financial performance was marked by record earnings and the achievement of another year of double-digit loan growth. Record net income available to common shareholders of $51.2 million was up 19% ($8.2 million) compared to the same quarter last year while diluted earnings per common share increased 16% to $0.64. 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 a record $0.65, also up 16%. Total revenues, measured on a taxable equivalent basis (teb - see definition following the Financial Highlights table), grew 15% ($19.5 million) to reach a record $152.7 million driven by the combined benefits of strong 12% year-over-year loan growth, a four basis point increase in net interest margin to 2.75% and 31% ($6.2 million) higher other income. Very strong growth in other income mainly reflected a $6.2 million positive change in net insurance revenues and a $2.5 million increase in trust and wealth management fee income, partially offset by $3.1 million lower net gains on securities. Net insurance revenues were impacted in the fourth quarter of 2012 by increased claims expense related to severe hailstorms in Alberta. Revenues from trust and wealth management were materially higher compared to a year earlier mainly due to the addition of McLean & Partners Wealth Management, acquired in the third quarter of 2013.

Compared to last quarter, net income available to common shareholders increased 8% ($3.7 million) as positive contributions from $9.3 million higher net insurance revenues, 2% quarterly loan growth and a stable net interest margin were partially offset by a $4.7 million decline in net gains on securities and a $2.5 million reduction in the 'other' component of other income. Net insurance revenues were negatively impacted in the prior quarter by increased claims expense related to catastrophic southern Alberta floods and severe hailstorms. The 'other' component of other income was higher last quarter primarily due to gains realized on the sale of residential mortgages. Diluted and adjusted cash earnings per common share both increased 7% ($0.04).

Record annual net income available to common shareholders of $187.2 million increased 9% ($15.0 million) compared to 2012 while diluted earnings per common share was up 6% to $2.35. Adjusted cash earnings per share of $2.39 improved 4% from $2.30 in the prior year. Record total revenues (teb) of $572.5 million increased 9% reflecting 8% ($34.9 million) growth in net interest income (teb) and 16% ($13.1 million) higher other income. Growth in net interest income was driven by strong loan growth, partially offset by the impact of a nine basis point reduction in net interest margin (teb) to 2.70%.

The quarterly return on common shareholders' equity of 14.9% increased 110 basis points compared to a year earlier and 90 basis points from the prior quarter. Return on common shareholders' equity for the year of 14.1% was down from 15.0% in 2012 with the decrease mainly due to the impact of margin compression and additional CWB common shares outstanding following the settlement of the contingent consideration associated with the 2010 acquisition of National Leasing Group Inc. (National Leasing) in the third quarter of 2012. Fourth quarter return on assets was 1.11%, compared to 1.03% last year and 1.06% in the previous quarter. Return on assets for the year was 1.06%, down two basis points from 2012.

The quarterly efficiency ratio (teb), which measures non-interest expenses as a percentage of total revenues (teb), excluding the non-tax deductible charge for the fair value of contingent consideration, was 45.0%, an improvement of 170 basis points from a year earlier. The annual efficiency ratio (teb) of 45.9% increased from 44.8% in 2012.

Regulatory Capital

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

At October 31, 2013, CWB's capital ratios were 8.0% CET1, 9.7% Tier 1 and 13.9% total capital.

Dividends

On December 4, 2013, CWB's Board of Directors declared a cash dividend of $0.19 per common share, payable on January 9, 2014 to shareholders of record on December 17, 2013. This quarterly dividend represents a 6% increase over the previous quarter and is 12% 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, 2014 to shareholders of record on January 23, 2014.

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).

Preferred Share Normal Course Issuer Bid

CWB has a Normal Course Issuer Bid (NCIB) outstanding to purchase, for cancellation, up to up to 826,120 Non-Cumulative 5-Year Rate Reset Preferred Shares Series 3 ("preferred shares"). The NCIB commenced March 1, 2013 and will expire February 28, 2014. During the year ended October 31, 2013, the Bank purchased and cancelled 37,404 preferred shares under the NCIB. Security holders may contact the Bank to obtain, without charge, a copy of the notice filed with the TSX. Additionally, a copy of the news release is available on the Bank's website and on SEDAR at www.sedar.com.

Loan Growth

Total loans of $15,577 million grew 2% ($294 million) in the quarter and 12% ($1,623 million) over the past twelve months. Very strong performance in equipment financing and leasing, real estate project loans and commercial mortgages made the greatest contribution to annual loan growth measured in dollars. Quarterly growth was led by real estate project loans, personal loans and mortgages, and equipment financing and leasing. Growth was achieved across all lending sectors on both a year-over-year and quarterly basis, with the exception of declines in oil and gas production and corporate lending. Annual growth in real estate project loans exceeded expectations as opportunities to finance well capitalized developers on the basis of sound loan structures and acceptable pre-sale levels were more abundant than anticipated. The overall outlook for generating new loans remains solid and management expects CWB to maintain double-digit annual loan growth.

(unaudited) ($ millions)	**October 31 2013**	July 31 2013	October 31 2012	% change from October 31 2012
General commercial loans	**$ 3,428**	$ 3,403	$ 3,179	8 %
Commercial mortgages	**3,311**	3,257	2,930	13
Equipment financing and leasing	**2,942**	2,870	2,498	18
Personal loans and mortgages	**2,502**	2,410	2,292	9
Real estate project loans	**2,304**	2,196	1,882	22
Corporate loans (1)	**902**	941	912	(1)
Oil and gas production loans	**274**	290	342	(20)
Total loans outstanding (2)	**$ 15,663**	$ 15,367	$ 14,035	12 %

(1) Corporate loans represent 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.

Residential mortgage exposure

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

Following is a geographical breakdown of insured and uninsured loans secured by residential property, including HELOCs, as at October 31, 2013:

($ thousands)	Insured Balance	Insured % of Total Balance	Uninsured Balance	Uninsured % of Total Balance	Total Balance	Provincial % of Total
Alberta	$ 169,844	20 %	$ 671,308	80 %	$ 841,152	40 %
British Columbia	89,859	12	652,265	88	742,124	36
Manitoba	6,475	11	54,443	89	60,918	3
Ontario	10,801	4	274,718	96	285,519	14
Saskatchewan	25,021	18	114,176	82	139,197	7
Other	105	100	-	-	105	-
	$ 302,105	15 %	$ 1,766,910	85 %	$ 2,069,015	100 %

Following are the approximate weighted average LTV ratios for newly originated and acquired uninsured residential mortgages and HELOCs for the three months ending October 31, 2013:

Alberta	66 %
British Columbia	66
Manitoba	71
Ontario	73
Saskatchewan	70
Other	-
	68 %

Following are total loans secured by residential property, including HELOCs, categorized by amortization period as at October 31, 2013:

($ thousands)	Balance	% of Total Balance
Amortization (years)		
5 or less	$ 42,248	2 %
> 5 to 10	24,189	1
> 10 to 15	54,154	3
> 15 to 20	158,283	8
> 20 to 25	1,003,599	49
> 25 to 30	655,895	31
> 30 to 35	128,800	6
> 35	1,847	-
	$ 2,069,015	100 %

Credit Quality

Overall credit quality continued to reflect sound underwriting, secured lending practices and a relatively strong level of economic activity in CWB's key geographic markets. Gross impaired loans totaled $64.2 million at quarter end, compared to $72.7 million last quarter and $66.8 million a year earlier. The quarterly provision for credit losses exceeded net new specific provisions and led to a $4.3 million increase in the dollar level of the collective allowance for credit losses compared to last quarter. Compared to October 31, 2012, the dollar level of the total allowance for credit losses increased $4.1 million to reach $85.8 million, exceeding the total balance of gross impaired loans. Based on management's current positive view of overall credit quality, the total provision for credit losses as a percentage of average loans is expected to remain relatively stable.

Net Interest Margin

Net interest margin (teb) of 2.75% was consistent with the prior quarter and up from 2.71% in the fourth quarter last year as benefits associated with more favourable fixed term deposits costs, higher loan fees and lower average liquidity more than offset the impact of lower yields on loans. Annual net interest margin (teb) of 2.70% was down 9 basis points from the prior year mainly reflecting lower yields on loans and securities, partially offset by improved fixed term deposit costs. Looking forward, meaningful improvement in net interest margin is unlikely in the absence of increases in the prime lending interest rate and/or a persistent steepening of the interest rate curve.

Fiscal 2014 Performance Target Ranges and Outlook

CWB's performance target ranges established for fiscal 2014 are presented in the following table:

	2014 Target Ranges
Adjusted cash earnings per common share growth(1)	12 – 16%
Total revenue (teb) growth	10 – 12%
Loan growth	10 – 12%
Provision for credit losses as a percentage of average loans	0.18 – 0.23%
Efficiency ratio (teb)(2)	46% or less
Return on common shareholders' equity(3)	14.0 – 15.0%
Return on assets(4)	1.10 – 1.15%

(1) Adjusted cash earnings per common share calculated as net income available to common shareholders, excluding the after-tax amortization of acquisition-related intangible assets and the non-tax deductible charge for the fair value of contingent consideration, divided by the average number of common shares outstanding adjusted for the dilutive effects of stock options.
(2) Efficiency ratio (teb) calculated as non-interest expenses divided by total revenues (teb).
(3) Return on common shareholders' equity calculated as net income available to common shareholders divided by average common shareholders' equity.
(4) Return on assets calculated as net income available to common shareholders divided by average total assets.

Fiscal 2014 performance target ranges, as shown in the table above, are based on expectations for a modest acceleration in economic growth in Canada and comparatively stronger performance within key western Canadian markets. The change in 2014 to a growth target for adjusted cash earnings per share reflects management's view that this is a better overall measure of shareholder value creation compared to net income available to common shareholders. Growth in adjusted cash earnings per share is expected to benefit from a combination of revenue growth, a more efficient regulatory capital structure, stable credit quality, disciplined management of non-interest expenses and relatively consistent profitability. Revenue growth will largely be driven by ongoing lending activity and the anticipated achievement of another year of double-digit loan growth. CWB 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 very low interest rates and competitive influences. Recognizing the challenges of achieving improvement in net interest margin from the current level, growth in total revenues will continue to be constrained compared to what would be expected in a rising or higher interest rate environment. The provision for credit losses is targeted between 18 and 23 basis points of average loans and reflects expectations that overall credit quality will remain sound. Based on anticipated revenue growth and planned business investment, the target 2014 efficiency ratio (teb) is 46% or less. Profitability targets measured by the return on common shareholders' equity and return on assets are relatively consistent with performance in 2013.

The rate of growth in adjusted cash earnings per share is partly dependent on CWB's regulatory capital structure. A special resolution will be voted upon on December 12, 2013 at a concurrent special meeting of common and preferred shareholders. If approved, the special resolution will amend CWB's By-law Three to permit an unlimited number of First Preferred shares to be issued, to a maximum aggregate consideration outstanding of $1,000 million; terms of the existing By-law Three precludes CWB from issuing any preferred shares in the future. On April 30, 2014, unless the outstanding Series 3 preferred shares are redeemed by CWB, subject to approval of the Office of the Superintendent of Financial Institutions Canada (OSFI), the corresponding dividend yield will reset to a rate of 500 basis points over the yield on the applicable Government of Canada benchmark security. In consideration of the current capital market environment and CWB's investment grade credit rating, management and the Board of Directors believe it is in the best interests of common shareholders to redeem these shares. However, in order to maintain CWB's Tier 1 regulatory capital ratio above internal thresholds, the issuance of qualifying replacement capital will be required prior to the anticipated redemption date. In addition to uncertainty about the results of the special resolution voting, the public market for preferred shares which qualify as non-viability contingent capital (NVCC) has yet to be established in Canada. The 2014 performance target ranges for growth in adjusted cash earnings per share and the return on common shareholders' equity assume existing preferred shares are redeemed and replaced, to the extent required, with comparatively lower cost capital. Without both an amendment to By-law Three and a successful issuance of qualifying NVCC preferred shares, CWB's only option to raise replacement capital would be to issue common shares.

The ongoing development of each of CWB Group's businesses will remain a key priority to achieve continued strong performance for shareholders. Potential acquisitions that are both strategic and accretive for common shareholders will also be closely evaluated. With its solid capital position under the more conservative *Standardized* approach for calculating risk-weighted assets, CWB will remain 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. The overall outlook for 2014 and beyond is positive.

Fiscal 2013 Fourth Quarter and Annual Results Conference Call

CWB's fourth quarter and annual results conference call is scheduled for Thursday, December 5, 2013 at **2:00 p.m. ET (12:00 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 416-695-7848 or toll-free 1-800-396-7098. 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 19, 2013 by dialing 905-694-9451 (Toronto) or 1-800-408-3053 (toll-free) and entering passcode 6674131.

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

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Consolidated Balance Sheets

(unaudited) ($ thousands)	As at October 31 2013	As at July 31 2013	As at October 31 2012	Change from October 31 2012
Assets				
Cash Resources				
Cash and non-interest bearing deposits with financial institutions	**$ 83,856**	$ 3,009	$ 33,690	149 %
Interest bearing deposits with regulated financial institutions	**258,466**	93,478	177,028	46
Cheques and other items in transit	**5,673**	1,252	26,265	(78)
	347,995	97,739	236,983	47
Securities				
Issued or guaranteed by Canada	**927,077**	785,135	980,200	(5)
Issued or guaranteed by a province or municipality	**410,984**	388,240	478,622	(14)
Other securities	**894,271**	1,014,203	877,278	2
	2,232,332	2,187,578	2,336,100	(4)
Loans				
Personal	**2,502,295**	2,410,165	2,292,388	9
Business	**13,160,384**	12,957,199	11,743,021	12
	15,662,679	15,367,364	14,035,409	12
Allowance for credit losses	**(85,786)**	(84,489)	(81,723)	5
	15,576,893	15,282,875	13,953,686	12
Other				
Property and equipment	**66,647**	65,170	68,938	(3)
Goodwill	**49,424**	49,424	45,536	9
Intangible assets	**70,197**	66,894	49,959	41
Insurance related	**64,365**	61,666	57,650	12
Derivative related	**4,509**	1,249	1,951	131
Other assets	**107,898**	113,961	122,466	(12)
	363,040	358,364	346,500	5
Total Assets	**$ 18,520,260**	$ 17,926,556	$ 16,873,269	10 %
Liabilities and Equity				
Deposits				
Personal	**$ 9,420,754**	$ 9,393,847	$ 8,960,118	5 %
Business and government	**6,105,286**	5,568,295	5,184,719	18
	15,526,040	14,962,142	14,144,837	10
Other				
Cheques and other items in transit	**55,290**	39,719	54,030	2
Insurance related	**167,816**	165,277	160,302	5
Derivative related	**36**	168	10	260
Securities sold under repurchase agreements	**-**	-	70,089	(100)
Other liabilities	**238,939**	237,557	239,503	-
	462,081	442,721	523,934	(12)
Debt				
Debt securities	**195,650**	227,789	209,273	(7)
Subordinated debentures	**625,000**	625,000	425,000	47
	820,650	852,789	634,273	29
Equity				
Preferred shares	**208,815**	208,965	209,750	-
Common shares	**510,282**	504,380	490,218	4
Retained earnings	**865,087**	828,175	733,298	18
Share-based payment reserve	**24,632**	24,611	22,468	10
Other reserves	**(3,389)**	(3,028)	9,247	nm
Total Shareholders' Equity	**1,605,427**	1,563,103	1,464,981	10
Non-controlling interests	**106,062**	105,801	105,244	1
Total Equity	**1,711,489**	1,668,904	1,570,225	9
Total Liabilities and Equity	**$ 18,520,260**	$ 17,926,556	$ 16,873,269	10 %

nm - not meaningful.

Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended October 31 2013	July 31 2013	October 31 2012	Change from October 31 2012	For the year ended October 31 2013	October 31 2012	Change from October 31 2012
Interest Income							
Loans	**$ 191,784**	$ 187,420	$ 177,191	8 %	**$ 735,404**	$ 686,534	7 %
Securities	**10,934**	11,522	10,135	8	**44,952**	43,548	3
Deposits with regulated financial institutions	**492**	261	567	(13)	**1,609**	2,389	(33)
	203,210	199,203	187,893	8	**781,965**	732,471	7
Interest Expense							
Deposits	**70,799**	70,302	70,022	1	**280,169**	269,772	4
Debt	**7,998**	8,360	6,604	21	**32,433**	28,270	15
	78,797	78,662	76,626	3	**312,602**	298,042	5
Net Interest Income	**124,413**	120,541	111,267	12	**469,363**	434,429	8
Provision for Credit Losses	**7,344**	7,491	5,962	23	**27,846**	25,107	11
Net Interest Income after Provision for Credit Losses	**117,069**	113,050	105,305	11	**441,517**	409,322	8
Other Income							
Trust and wealth management services	**7,272**	6,825	4,725	54	**24,511**	19,065	29
Credit related	**5,723**	5,475	5,284	8	**21,685**	19,705	10
Insurance, net	**7,101**	(2,225)	946	651	**16,279**	17,353	(6)
Gains on securities, net	**2,338**	7,020	5,433	(57)	**15,094**	12,449	21
Retail services	**2,657**	2,373	2,310	15	**10,272**	9,227	11
Foreign exchange gains	**890**	863	965	(8)	**3,059**	3,255	(6)
Contingent consideration fair value change	**-**	-	-	-	**-**	(2,489)	(100)
Other	**200**	2,701	269	(26)	**4,082**	3,345	22
	26,181	23,032	19,932	31	**94,982**	81,910	16
Net Interest and Other Income	**143,250**	136,082	125,237	14	**536,499**	491,232	9
Non-Interest Expenses							
Salaries and employee benefits	**44,557**	44,038	39,826	12	**172,237**	153,844	12
Premises and equipment	**10,941**	10,900	10,404	5	**42,825**	39,502	8
Other expenses	**13,146**	12,021	11,946	10	**47,435**	43,220	10
	68,644	66,959	62,176	10	**262,497**	236,566	11
Net Income before Income Taxes	**74,606**	69,123	63,061	18	**274,002**	254,666	8
Income Taxes	**17,574**	15,800	14,445	22	**64,052**	60,209	6
Net Income	**$ 57,032**	$ 53,323	$ 48,616	17 %	**$ 209,950**	$ 194,457	8 %
Net Income Attributable to Non-Controlling Interests	**2,031**	2,020	1,768	15	**7,568**	7,052	7
Net Income Attributable to Shareholders of CWB	**$ 55,001**	$ 51,303	$ 46,848	17 %	**$ 202,382**	$ 187,405	8 %
Preferred share dividends	**3,785**	3,796	3,802	-	**15,183**	15,208	-
Premium paid on purchase of preferred shares for cancellation	**6**	23	-	nm	**36**	-	nm
Net Income Available to Common Shareholders	**$ 51,210**	$ 47,484	$ 43,046	19 %	**$ 187,163**	$ 172,197	9 %
Average number of common shares (in thousands)	**79,463**	79,248	78,506	1	**79,147**	76,841	3
Average number of diluted common shares (in thousands)	**79,879**	79,590	78,911	1	**79,544**	77,460	3
Earnings Per Common Share							
Basic	**$ 0.64**	$ 0.60	$ 0.55	16 %	**$ 2.36**	$ 2.24	5 %
Diluted	**0.64**	0.60	0.55	16	**2.35**	2.22	6

nm - not meaningful.

Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended October 31 2013	 October 31 2012	For the year ended October 31 2013	 October 31 2012
Net Income	**$ 57,032**	$ 48,616	**$ 209,950**	$ 194,457
Other Comprehensive Income (Loss), net of tax				
Available-for-sale securities:				
Gains (losses) from change in fair value(1)	**(22)**	3,426	**(2,553)**	9,580
Reclassification to net income(2)	**(1,721)**	(3,984)	**(11,160)**	(9,129)
	(1,743)	(558)	**(13,713)**	451
Derivatives designated as cash flow hedges:				
Gains from change in fair value(3)	**2,536**	1,514	**2,332**	1,430
Reclassification to net income(4)	**(1,154)**	(645)	**(1,255)**	(483)
	1,382	869	**1,077**	947
	(361)	311	**(12,636)**	1,398
Comprehensive Income for the Period	**$ 56,671**	$ 48,927	**$ 197,314**	$ 195,855
Comprehensive income for the period attributable to:				
Shareholders of CWB	**$ 54,640**	$ 47,159	**$ 189,746**	$ 188,803
Non-controlling interests	**2,031**	1,768	**7,568**	7,052
Comprehensive Income for the Period	**$ 56,671**	$ 48,927	**$ 197,314**	$ 195,855

(1) Net of income tax of $8 and $866 for the quarter and year ended October 31, 2013, respectively (2012 - $1,247 and $3,441).
(2) Net of income tax of $617 and $3,934 for the quarter and year ended October 31, 2013, respectively (2012 - $1,450 and $3,320).
(3) Net of income tax of $857 and $788 for the quarter and year ended October 31, 2013, respectively (2012 - $530 and $500).
(4) Net of income tax of $390 and $424 for the quarter and year ended October 31, 2013, respectively (2011 - $226 and $169).

Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)	For the year ended October 31 2013	 October 31 2012
Retained Earnings		
Balance at beginning of year	**$ 733,298**	$ 608,848
Net income attributable to shareholders of CWB	**202,382**	187,405
Dividends – Preferred shares	**(15,183)**	(15,208)
– Common shares	**(55,374)**	(47,747)
Premium paid on purchase of preferred shares for cancellation	**(36)**	-
Balance at end of year	**865,087**	733,298
Other Reserves		
Balance at beginning of year	**9,247**	7,849
Changes in available-for-sale securities	**(13,713)**	451
Changes in derivatives designated as cash flow hedges	**1,077**	947
Balance at end of year	**(3,389)**	9,247
Preferred Shares		
Balance at beginning of year	**209,750**	209,750
Purchase of preferred shares for cancellation	**(935)**	-
Balance at end of year	**208,815**	209,750
Common Shares		
Balance at beginning of year	**490,218**	408,282
Issued under dividend reinvestment plan	**14,404**	12,252
Transferred from share-based payment reserve on the exercise or exchange of options	**3,986**	4,432
Issued on exercise of options	**1,674**	1,853
Issued on settlement of contingent consideration	**-**	63,399
Balance at end of year	**510,282**	490,218
Share-based Payment Reserve		
Balance at beginning of year	**22,468**	21,884
Amortization of fair value of options	**6,150**	5,016
Transferred to common shares on the exercise or exchange of options	**(3,986)**	(4,432)
Balance at end of year	**24,632**	22,468
Total Shareholders' Equity	**1,605,427**	1,464,981
Non-Controlling Interests		
Balance at beginning of year	**105,244**	105,225
Net income attributable to non-controlling interests	**7,568**	7,052
Dividends to non-controlling interests	**(7,066)**	(7,033)
Business acquisition	**316**	-
Balance at end of year	**106,062**	105,244
Total Equity	**$ 1,711,489**	$ 1,570,225

Consolidated Statements of Cash Flow

(unaudited) ($ thousands)	For the year ended October 31 2013	 October 31 2012
Cash Flows from Operating Activities		
Net income	**$ 209,950**	$ 194,457
Adjustments to determine net cash flows:		
Provision for credit losses	**27,846**	25,107
Depreciation and amortization	**21,572**	17,261
Current income taxes receivable and payable	**(7,444)**	8,981
Amortization of fair value of employee stock options	**6,150**	5,016
Accrued interest receivable and payable, net	**2,816**	(3,541)
Deferred income taxes, net	**5,507**	(695)
Gain on securities, net	**(15,094)**	(12,449)
Change in operating assets and liabilities:		
Deposits, net	**1,381,203**	1,750,148
Loans, net	**(1,651,053)**	(1,685,511)
Securities sold under repurchase agreements, net	**(70,089)**	70,089
Other items, net	**934**	24,283
	(87,702)	393,146
Cash Flows from Financing Activities		
Common shares issued	**16,078**	14,004
Preferred shares purchased and cancelled	**(971)**	-
Debentures issued	**250,000**	-
Debentures redeemed	**(50,000)**	(120,000)
Debt securities issued	**90,596**	226,249
Debt securities repaid	**(104,219)**	(106,855)
Dividends	**(70,557)**	(62,955)
Distributions to non-controlling interests	**(7,066)**	(7,033)
	123,861	(56,590)
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	**(81,284)**	57,128
Securities, purchased	**(6,004,062)**	(4,959,542)
Securities, sale proceeds	**3,839,290**	2,855,832
Securities, matured	**2,275,813**	1,711,152
Property, equipment and intangibles	**(27,504)**	(27,586)
Business acquisition	**(10,098)**	-
	(7,845)	(363,016)
Change in Cash and Cash Equivalents	**28,314**	(26,460)
Cash and Cash Equivalents at Beginning of Year	**5,925**	32,385
Cash and Cash Equivalents at End of Year *	**$ 34,239**	$ 5,925
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 83,856**	$ 33,690
Cheques and other items in transit (included in Cash Resources)	**5,673**	26,265
Cheques and other items in transit (included in Other Liabilities)	**(55,290)**	(54,030)
Cash and Cash Equivalents at End of Year	**$ 34,239**	$ 5,925
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 785,643**	$ 724,759
Interest paid	**313,463**	293,871
Income taxes paid	**65,989**	51,923