CWB Financial Group Annual Meeting of Shareholders

Fiscal 2017

Prepared remarks of the Chief Financial Officer

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GROUP

Welcome

Thank you, and good afternoon everyone.

CWB Financial Group operates with a clear focus to meet the unique financial needs of business owners. Clients recognize us for our in-depth knowledge of targeted segments within Canada's commercial banking industry, our uncommon brand of personal service and our full suite of relevant financial solutions. Shareholders value our strong track record of high-quality balance sheet and dividend growth, conservative approach to risk management and consistent profitability.

I am pleased to provide an overview of our 2017 fiscal year that ended on October 31st of last year, including the financial results. I'll also discuss our medium-term performance targets as we look to the future.

Before I begin, I'll call your attention to the forward looking advisory provided on this slide in teeny, tiny font and included, in full, in the Annual Report.

2017 Fiscal Year

Highlights of 2017

Fiscal 2017 was a strong year for CWB Financial Group, both in terms of strategic execution and financial performance. In respect to execution of our Balanced Growth strategy, we expanded our geographic footprint, delivered increased industry diversification with a continued focus on business owners, and made significant progress toward our upcoming transition to the Advanced Internal Rating Based approach for enhanced risk and capital management.

On October 30th, one day before year-end, we announced the acquisition of a portfolio of equipment loans and leases, and general commercial lending assets. The assets are concentrated within the transportation, construction and healthcare industries with about ¾ distributed in Central and Eastern Canada. The acquisition closed on January 31st and added $850 million to our loan balances. The acquisition was funded primarily with securitization and is fully aligned with our Balanced Growth strategy. These loans will support earnings, net interest margin and operating leverage beginning with the 2nd quarter of fiscal 2018.

Last August, we announced that Canadian Western Trust will focus its activities within business lines that are most aligned with the strategic objectives of CWB Financial Group. We will no longer offer self-directed account services to holders of certain securities and initiated a process to appoint successor trustees for those clients and accounts. The process resulted in before gains of $6 million or 6 cents of EPS and $3 million or 3 cents of EPS in each of Q4 2017 and Q1 2018, respectively. Although further transfers of deposits and assets under administration related to this process may occur in the next few quarters, they will not be material.

Financial Performance

Highlights of financial performance for fiscal 2017 included record total revenues from core operations and record core earnings before income taxes and credit losses, higher net interest margin in every quarter, positive operating leverage, strong credit quality and the 25th consecutive annual increase to our common share dividend.

For the year ended October 31, 2017, CWB Financial Group reported a 21% increase in common shareholders income and a 10% increase in income before income taxes and credit losses. You may recall that earnings in 2016 reflected the negative impact of both low oil prices and regulatory factors on our small portfolio of loans to energy producers.

For 2017, very strong earnings growth resulted from both the increase in total revenues as well as a normalized provision for credit losses.

Diluted and adjusted cash earnings per common share were up 14 and 16%, respectively.

2017 financial highlights include:

• Record total revenue from core operations – up 10%, including 10% growth in net interest income, or what we earn from our lending and deposit gathering businesses along with 16% higher non-interest income. Growth of 10% in net interest income was driven by 6% loan growth and net interest margin, on a taxable equivalent basis, that was 14 basis points higher than 2016 with sequential increases in every quarter. Higher net interest margin reflected higher asset yields including the impact of Bank of Canada rate increases in July and September last year, as well favorable changes in funding mix, partially offset by incrementally higher funding costs.

• Non-interest income increased 16% as gains on securities contributed $1 million this year, compared to $3 million in net losses last year, the CWT-related gain I mentioned earlier, along with higher wealth management fees.

• The provision for credit losses as a percentage of average loans was 23 basis points – consistent with our traditional range of 18 – 23 basis points, and slightly better than our expectation of 25 – 35 basis points when fiscal 2017 began. This compares to the abnormally large provision of 38 bp in 2016 due to the impact of energy-related losses.

• Non-interest expenses were 10% higher than 2016 reflecting 8% higher salaries and benefits. Approximately 1/3 of the 10% increase in expenses reflects the full year contribution to revenues and expense from the businesses acquired part-way through fiscal 2016. CWB Maxium Financial and CWB Franchise Finance are both providing strong contributions to earnings and meeting our expectations. I'll also note that 2017 included a full year of amortization and operating expenses related to our core banking system that went live half way through fiscal 2016 –now almost two years ago.

• Growth of common shareholders' net income was also constrained by the full year impacts of the fair value charges for contingent consideration related to CWB Maxium's strong performance as well as dividends on preferred shares issued in March 2016.

Strategic Execution

As Chris will discuss, our strategic objectives are clear. They include:

• Full service client growth with a focus on business owners, including further geographic and industry diversification;

• Growth and diversification of funding sources; and

• Optimized capital and risk management through our transition to the Advanced internal rating based approach for regulatory capital.

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Looking at our progress in fiscal 2017, starting first with asset diversification.

• Loan growth was 6% overall, including double-digit 11% growth outside of Alberta. While loan growth remained relatively slow within Alberta and Saskatchewan, both provinces emerged from two-year regional recession in 2017. We continue to support our clients as business activity picks up and we expect loan growth to begin to accelerate in these markets going forward.

• We increased the proportion of the loan portfolio in Central and Eastern Canada to 23% from 19%, including Ontario which increased to 19% from 15%.

• At October 31st, 2017, the portfolio was comprised 35% in British Columbia, 33% in Alberta, 23% in Ontario and east, with 9% in Saskatchewan and Manitoba. If we compare this to 2007 – just 10 years ago, we were 54% focused in Alberta, a similar 35% in BC, 7% in Saskatchewan and Manitoba, and only 4% in Ontario. This diversification success provided CWB with resilience through the recent regional recessions.

• We increased our industry diversification with 12% overall growth of general commercial loans, including 18% growth outside of Alberta.

The funding side of the banking equation is equally important to our success, and we continued to diversify our funding sources through 2017.

• We maintained stable balances of relationship-based, branch-raised notice and demand deposits;

• We continued to expand our securitization capabilities with the addition of a second equipment finance funding partner and our inaugural participation in the Canada Mortgage Bond program to fund insured residential mortgages.

• We also delivered a record year for funding through the debt capital markets with total issuance of $950 million of Senior Deposit Notes through three successful transactions.

Lastly, looking at our ongoing work to enhance and optimize our capital and risk management.

• As a federally regulated bank, we maintain capital levels in accordance with standards established by the Office of the Superintendent of Financial Institutions. At October 31st, CWB maintained very strong regulatory capital ratios of 9.5% common equity Tier 1, 10.8% Tier 1 and 12.5% total capital, well over both the regulator's minimum for Canadian banks such as CWB, as well our own internal targets.

• During fiscal 2017, we redeemed $105 million of Tier 1 capital and $75 million of Tier 2 capital without the need to issue replacement capital which supported both net interest margin and earnings. We closed the January 2018 acquisition using existing capital sources.

• As a reminder, we calculate regulatory capital using the Standardized Approach for Credit Risk which is less risk sensitive and more conservative than the Advanced methodology used by the large banks. We also maintain lower balance sheet leverage compared to our peers. CWB's leverage ratio, calculated using the regulator's definition where a higher ratio means less leverage, is very conservative at 8.3%, compared to the regulatory minimum of 3.0%.

• CWB's annual common share dividend of $0.93 increased for the 25th consecutive year and the board of directors were pleased to approve another increase in the first quarter of 2018 that was paid last week.

• Strong financial performance resulted in a 5% increase in book value per share to $24.82. Although volatility in our share price continued through fiscal 2017, we ended the year at $36.34 which was 43% higher than one year ago.

Credit Quality

A well-known hallmark of CWB's long term success is our strong and consistent credit quality and this very important slide shows our credit experience over the past 10 years. The very consistent purple line at the bottom is CWB's provision for credit losses – or what is charged against earnings to cover loan losses. The gold line provides the average of the large Canadian banks while the blue line represents CWB's collective allowance for credit losses. The collective allowance is set aside through earnings for future losses that have not yet been connected to a specific loan.

In 2017, as I said earlier, credit losses returned to normal levels and, at 23 basis points of average loans Positive credit experience continues in the first quarter of 2018 with a provision of 18 basis points.

Overall credit quality remains consistent with our expectations, reflecting our disciplined underwriting, our secured lending business model and proactive loan management.

The next slide shows another important contributor to our long term success. You can see from the blue bars that through the Global Financial Crisis in 2009 and 2010, gross impaired loans as a % of the total portfolio, or those loans that show signs of weakness increased significantly. However, the very small yellow bar at the bottom is even more important. That is the measure of CWB's credit losses or the actual amounts that were written off.

At October 31st, total gross impaired loans represented 72 basis points of total loans outstanding, compared to 58 bp at the end of 2016 as the lagging impacts of the 2015 – 2016 regional recession work through the portfolio. I will note that at January 31, 2018, gross impaired loans total 57 basis points and we may look back and see that Q3 2017 was the high point for this economic downturn. However, as I've already mentioned, despite higher impaired loans, our actual credit losses or write-offs for 2017 remain consistent with our normal historical experience, where loss rates have been low as a percentage of impairments.

Medium term performance targets

This slide summarizes our medium-term performance target ranges which have been in place for several years now. These targets reflect key areas that support shareholder value, the objectives embedded within our balanced growth strategy and a time horizon consistent with the longer-term interests of CWB shareholders. Our medium-term targets assumed moderate economic growth and a relatively stable net interest margin environment in Canada over a three to five year period. We continue to expect net interest margin this year to be incrementally higher than fiscal 2017. In view of the acquisition-related liquidity impact on net interest margin in the first quarter and current interest rate expectations, the low end of our prior guidance – for five to ten basis points of year-over-year improvement – remains an ambitious but achievable objective.

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For fiscal 2017, we delivered:

- 16% growth in adjusted cash earnings per share – which exceeded our target of 7 – 12%;

- Return on equity of 11.0% - did not yet reach our target of 12 – 15% - but was significantly improved from 9.9% in 2016.

- Operating leverage is a measure of efficiency and compares the percentage growth in total revenue to the percentage growth in non-interest expenses. Positive operating leverage means that revenue is growing faster than expenses. For 2017, we delivered positive operating leverage as total revenues grew 10.2% while expenses grew just less than 10%.

- Our common equity Tier 1 capital ratio remains very strong at 9.5%.

- We have a target dividend payout ratio of approximately 30%. For 2017, we delivered a 38% dividend payout ratio along with the 25th consecutive annual increase in common dividends paid.

We are committed to deliver ongoing strong loan growth with stable credit quality, effective expense management in consideration of revenue growth opportunities, and prudent capital management. Similar to last year, loan growth is off to a relatively slow start in fiscal 2018. However, our pipeline is strong, and we expect growth to pick up, especially as we move into the second half of the year.

We also expect financial performance to benefit from our planned and in-process transition to the Advanced method of calculating regulatory capital, along with the related benefits of our expanding geographic footprint and increased business diversification. We will continue to execute on our strategic initiatives to enhance client offerings, build core funding sources and optimize CWB's funding mix, as well as efforts to leverage current and future investment in technology. This focus will support performance consistent with our targets over the medium-term.

2017 was another very strong strategic and operational year for the CWB Financial Group. I hope that I've painted a picture of what your bankdelivered during fiscal 2017 and how we continue to execute our Balanced Growth strategy. I will now turn the podium over to Chris Fowler, President & Chief Executive Officer of the CWB Financial Group to elaborate on our Strategic Direction as we look to the future.