



First Quarter 2018 Financial Results Conference Call

March 8th, 2018





Presenters' Agenda

Performance highlights and strategic execution

Chris Fowler, President & CEO



- Performance highlights
- Execution of CWB's Balanced growth strategy

Financial performance

Carolyn Graham, Executive Vice President & CFO



- First quarter results
- Net interest margin outlook
- Credit quality
- Capital management

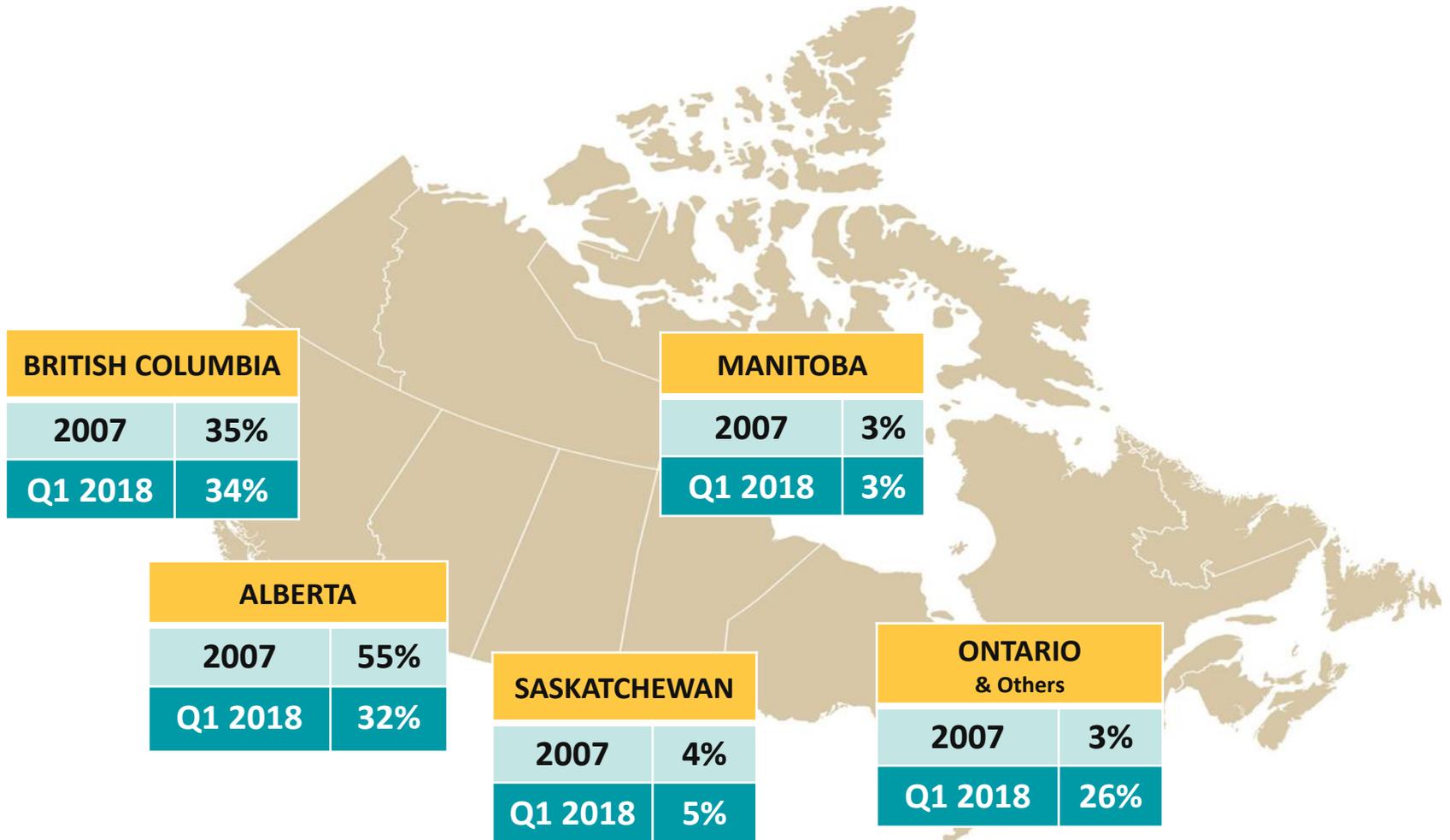


First Quarter 2018 Performance Highlights

VERY STRONG OPERATING PERFORMANCE	<ul style="list-style-type: none">• Record common shareholders' net income of \$62 million, up 25% from last year, and record pre-tax, pre-provision income of \$107 million, up 14%• Diluted and adjusted cash earnings per common share of \$0.69 and \$0.75, both 23% higher• Total revenue of \$193 million, up 10% year-over-year• Positive operating leverage of 3.9%
STRONG EXECUTION OF BALANCED GROWTH STRATEGY	<ul style="list-style-type: none">• Loan growth of 11%, including 8% organic growth and approximately \$850 million of business lending assets acquired on January 31, 2018• Significant progress against geographic and industry diversification objectives• Increased future growth opportunities within Central and Eastern Canada• Increased concentration in general commercial lending and equipment financing and leasing
STRONG EXECUTION OF FUNDING DIVERSIFICATION STRATEGY	<ul style="list-style-type: none">• Branch-raised deposits increased 4%, including 14% growth of fixed term funding• Increased use of securitization and capital markets funding• Completed the asset purchase at quarter end with no increase in broker-sourced deposits as a proportion of total funding
ONGOING ENHANCEMENTS TO CLIENT EXPERIENCE	<ul style="list-style-type: none">• Launch of pilot phase of CWB's Virtual Branch• Light bricks and mortar, high touch, high tech offering supports capability to develop broader client relationships across the country



Balanced Growth | Increasing Geographic Diversification

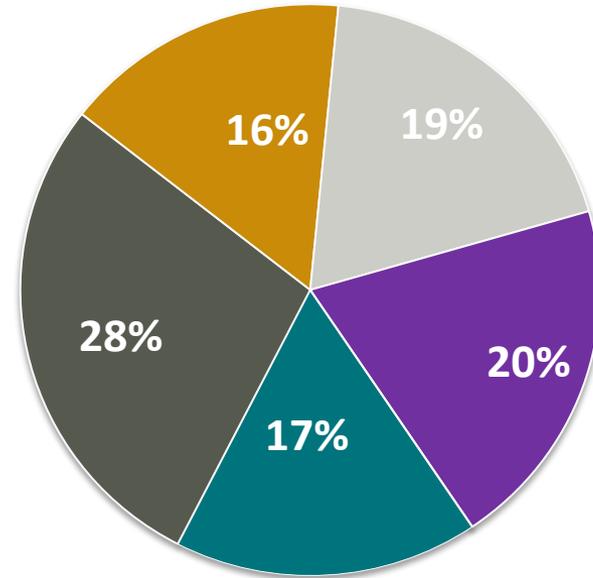




Balanced Growth | Industry Diversification and Funding Mix

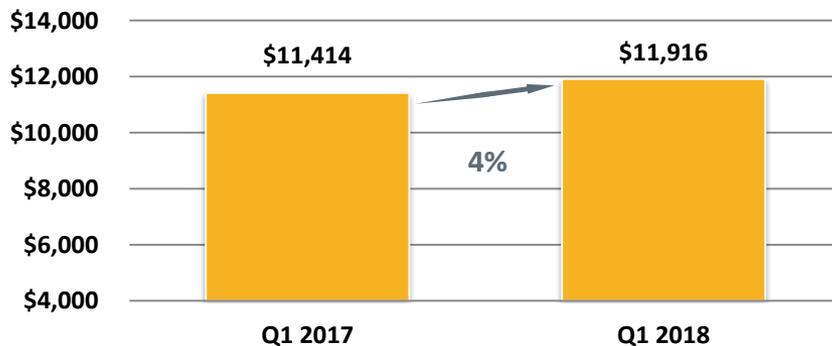
Loans by lending sector Q1 2018

- Commercial mortgages - 17%
- General commercial loans - 28%
- Real estate project loans - 16%
- Equipment financing and leasing - 19%
- Personal loans & mortgages - 20%
- Oil & gas production loans - 0%



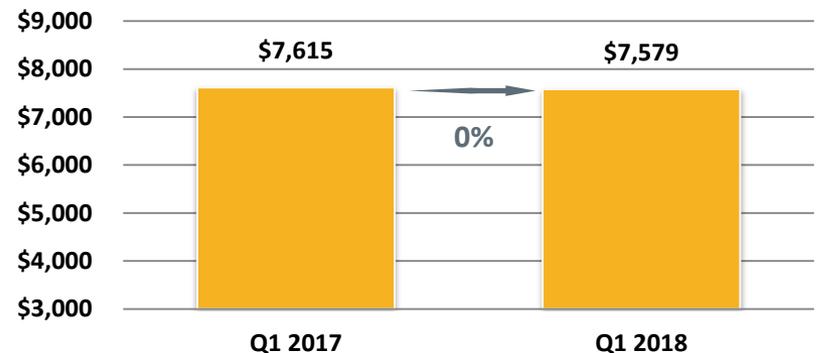
Total Branch-raised Deposits

(\$ millions)



Total Demand and Notice Deposits

(\$ millions)





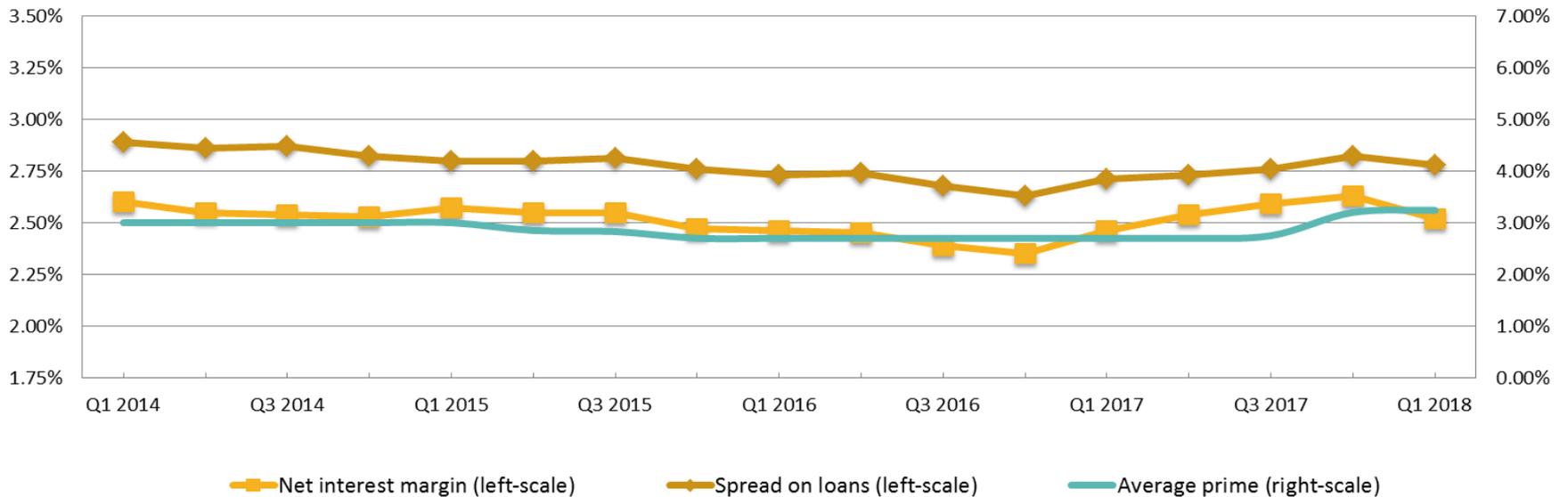
Quarterly Results compared to Q1 2017

- Record common shareholders' net income of \$62 million, up 25% and record pre-tax, pre-provision income of \$107 million, up 14%
- Adjusted cash earnings per common share of \$0.75, up 23%, reflecting double-digit revenue growth and strong credit quality, partially offset by higher non-interest expenses and acquisition-related fair value changes
- Gains related to the appointment of successor trustees for certain Canadian Western Trust (CWT) accounts contributed approximately \$0.03 to adjusted cash EPS
- Total revenue from core operations of \$193 million, up 10%
 - Net interest income of \$171 million, up 10%
 - Total loan growth of 11%, including approximately \$850 million of business lending assets acquired on January 31, 2018
 - Approximately 80% of the acquired assets are comprised of equipment financing and leasing exposures and 20% comprised of general commercial loans
 - Net interest margin of 2.52%, up six basis points
 - Non-interest income of \$22 million, up 13%
 - Primarily reflects gains of approximately \$3 million related to the CWT strategic transactions



Financial Performance | Margin

Net Interest Margin and Spread on Loans

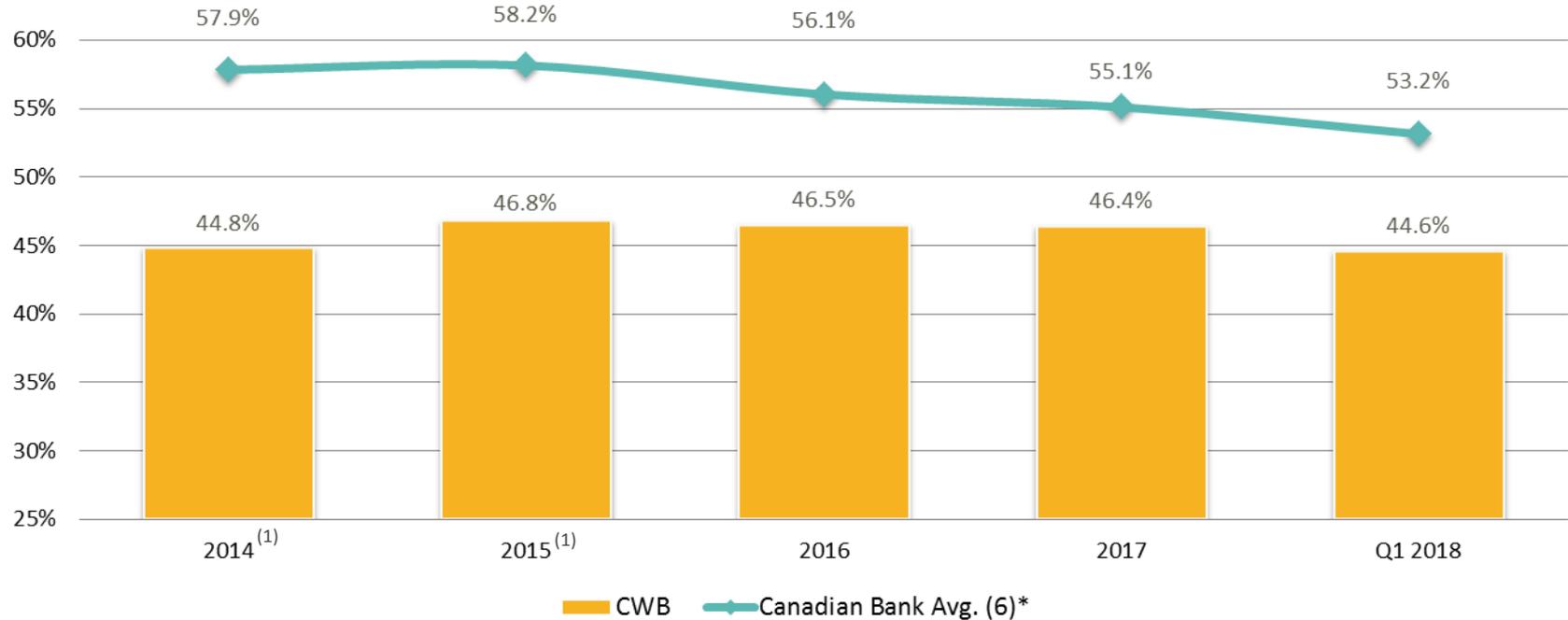


- Net interest margin up six basis points from Q1 2017
 - Higher asset yields more than offset increased funding costs
- Net interest margin down 11 basis points from Q4 2017
 - Higher asset yields more than offset by changes in asset and funding mix
 - Elevated average balances of cash and securities compared to the prior quarter reflect conservative funding and liquidity management in anticipation of the asset purchase at quarter end



Financial Performance | Efficiency

Efficiency Ratio (non-interest expenses as a % of total revenues)



* "Canadian Bank Avg. (6)" as referenced within this presentation is calculated based on information contained in the publicly available company reports of Canada's six largest banks (TSX trading symbols: BMO, BNS, CM, NA, RY, TD).

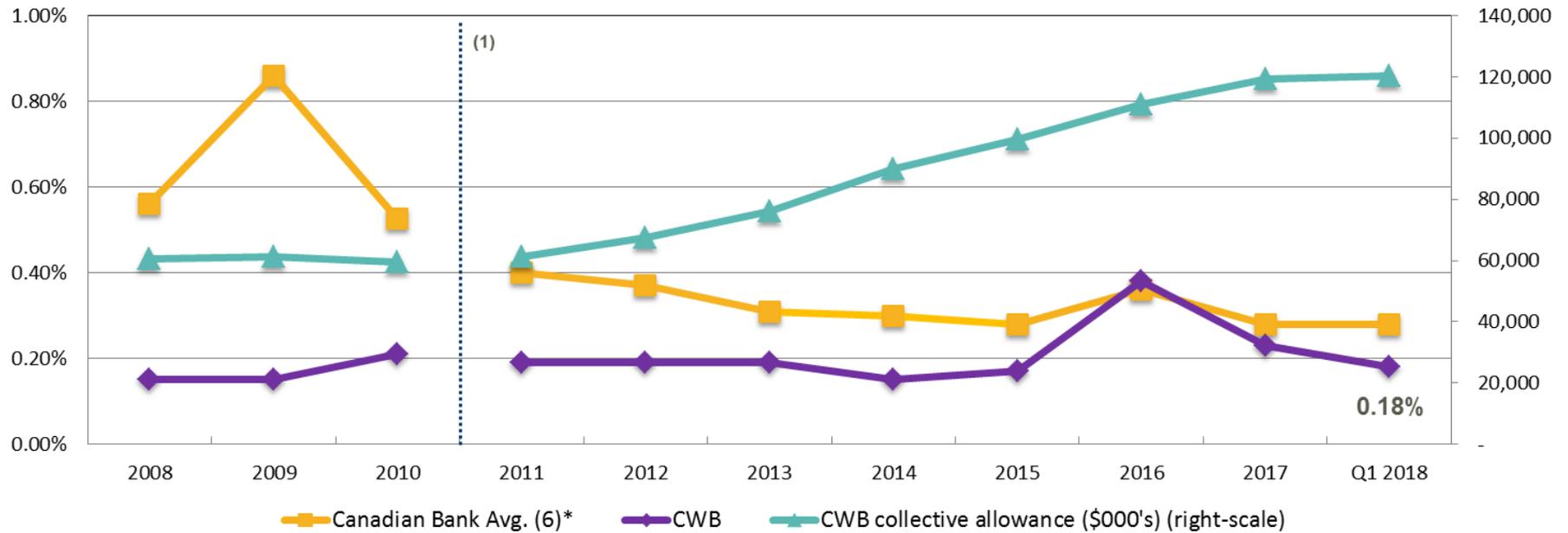
(1) Represents Continuing Operations

- Higher total revenue and effective expense management supported improvement in the efficiency ratio from last year and positive operating leverage of 3.9% this quarter
- Expect to deliver positive operating leverage over the medium-term, albeit at a considerably more moderate level compared to this quarter



Financial Performance | Credit

Provision for Credit Losses (as a percentage of average loans)



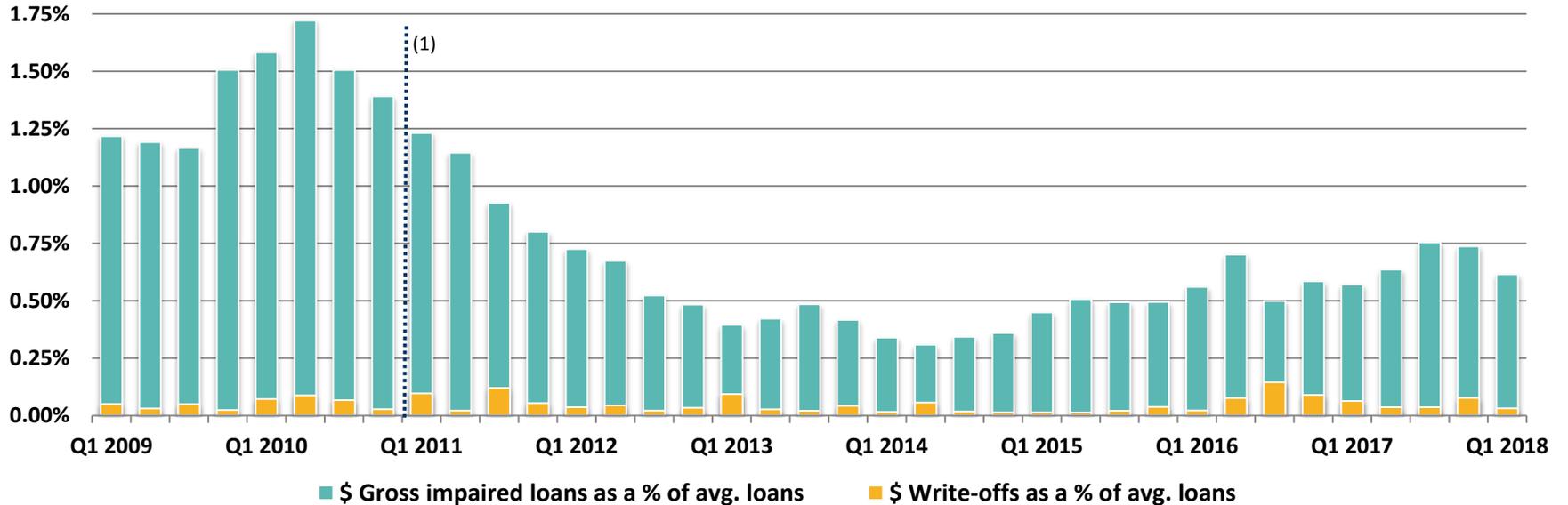
(1) As of Q1 11, financial results are reported under IFRS, as opposed to GAAP, and are not directly comparable.

- First quarter provision for credit losses represented 18 basis points of average loans, down from 27 basis points last year and 20 basis points last quarter
- The provision for credit losses consistent has been within CWB’s historical range of 18 – 23 basis points in each of the past three quarters



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.

- The dollar level of gross impaired loans fluctuates as loans become impaired and are subsequently resolved, and does not directly reflect the dollar value of expected write-offs given tangible security held in support of lending exposures
- Actual credit losses as a percentage of total loans remain low and continue to demonstrate the benefits of CWB's secured lending practices and disciplined underwriting



Regulatory Capital Ratios

<i>Standardized approach for calculating risk-weighted assets</i>	Q1 2018	Regulatory Minimum
Common equity Tier 1 capital (CET1)	9.4%	7.0%
Tier 1 capital	10.6%	8.5%
Total capital	12.3%	10.5%
Basel III Leverage Ratio	8.0%	3.0%

- Very strong regulatory capital position under the Standardized approach
- The portfolio acquisition at quarter end reduced CET1 capital ratio by approximately 25 basis points, partially offset by contributions to retained earnings from strong growth of common shareholders' net income
- Very conservative Basel III leverage ratio



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 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 expectations for economic growth, CWB primarily considers 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 .