Second Quarter 2018 Financial Results Conference Call

June 7th, 2018

CWB FINANCIAL GROUP

Presenters' Agenda

Performance highlights and strategic execution

Chris Fowler, President & CEO

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

Financial performance

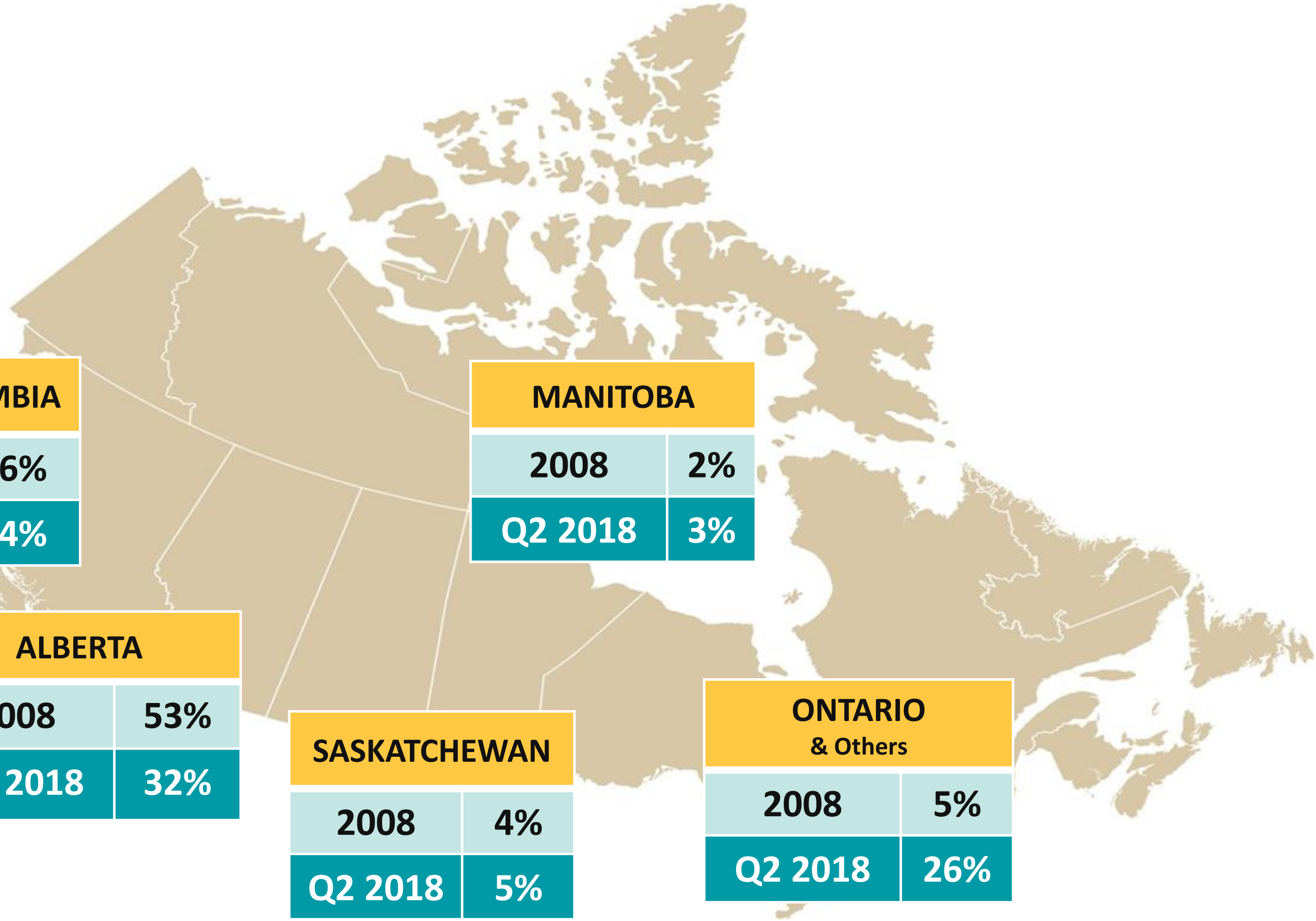
Carolyn Graham, Executive Vice President & CFO

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

Second Quarter 2018 Performance Highlights

VERY STRONG FINANCIAL PERFORMANCE	• Common shareholders' net income of $60 million, up 27% from last year, and pre-tax, pre-provision income of $107 million, up 19% • Diluted and adjusted cash earnings per common share of $0.68 and $0.73, up 26% and 24%, respectively • Record total revenue of $197 million, up 14% year-over-year • Robust operating leverage of 5.4%
CONTINUED EXECUTION OF BALANCED GROWTH STRATEGY	• Strong 12% increase in total loans, with 9% organic growth complemented by purchased assets to deliver further industry and geographic diversification • Strategically targeted general commercial and equipment financing and leasing categories accounted for over 80% of the increase from last year
CONTINUED EXECUTION OF FUNDING DIVERSIFICATION STRATEGY	• Total deposits up 12%, with 2% growth in branch-raised deposits • Increased use of securitization funding compared to last year, mainly reflecting success in funding the January 31 purchase of business lending assets primarily via securitization • Increased use of debt capital markets through four successful issuances of senior deposit notes totaling $1.3 billion over the past 12 months
ONGOING ENHANCEMENTS TO CLIENT EXPERIENCE	• Successfully onboarded our first full-service CWB Virtual Branch clients in Ontario • Light bricks and mortar, high touch, high tech offering supports capability to develop broader client relationships across the country

Balanced Growth | Increasing Geographic Diversification



BRITISH COLUMBIA	
2008	36%
Q2 2018	34%

ALBERTA	
2008	53%
Q2 2018	32%

SASKATCHEWAN	
2008	4%
Q2 2018	5%

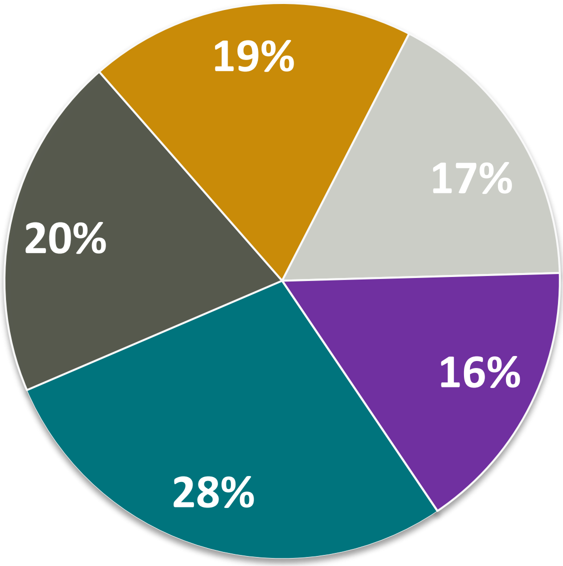
MANITOBA	
2008	2%
Q2 2018	3%

ONTARIO & Others	
2008	5%
Q2 2018	26%

Balanced Growth | Industry Diversification and Funding Mix

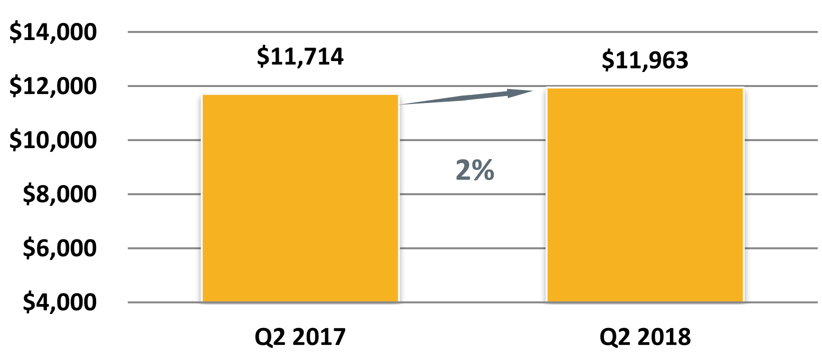
Loans by lending sector Q2 2018

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



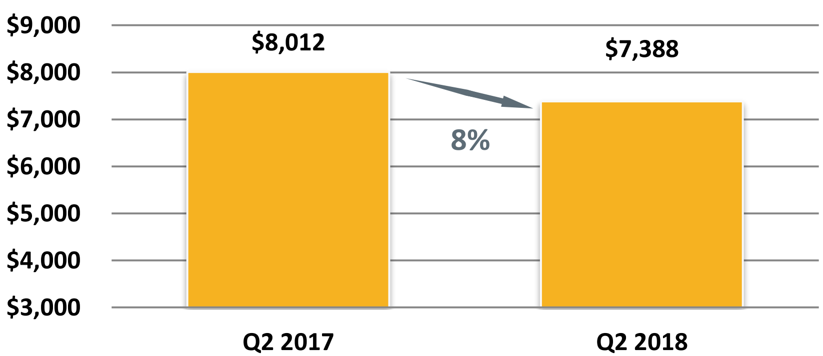
Total Branch-raised Deposits

($ millions)



Total Demand and Notice Deposits

($ millions)



Quarterly Results compared to Q2 2017

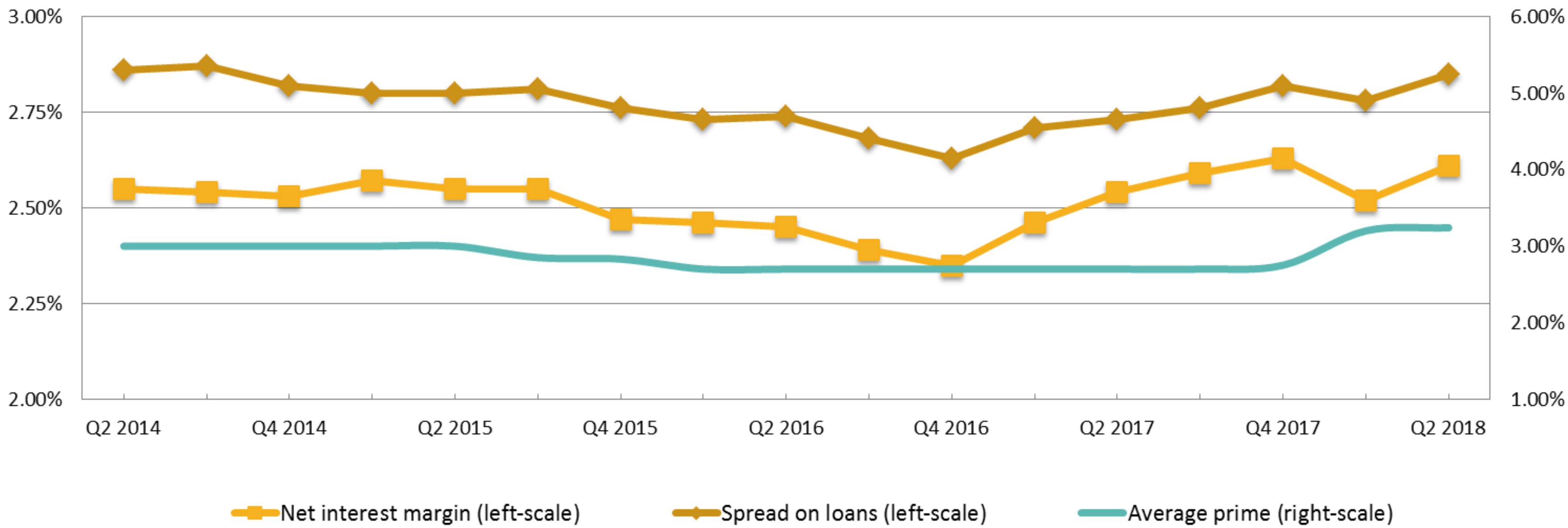
- Common shareholders’ net income of $60 million, up 27% and pre-tax, pre-provision income of $107 million, up 19%
- Adjusted cash earnings per common share of $0.73, up 24%, reflecting double-digit revenue growth and strong credit quality, partially offset by higher non-interest expenses and acquisition-related fair value changes
- Business lending assets acquired on January 31, 2018, contributed approximately $0.03 of adjusted cash earnings per common share
- Record total revenue of $197 million, up 14%
  - Net interest income of $178 million, up 17%
    - Strong 12% loan growth, underpinned by increased industry and geographic diversification, with the strategically targeted general commercial and equipment financing and leasing categories accounting for over 80% of the increase
    - Net interest margin of 2.61%, up seven basis points
  - Non-interest income of $19 million, down 8%
    - Primarily reflects lower trust service fees due to the transfer of certain CWT accounts to successor trustees
    - Lower credit related fees relates to the shift in organic loan growth to emphasize general commercial loans, which tend to be associated with lower fees as compared to real estate loans with more complex structures, and a change in accounting methodology for certain fees with the banking system conversion

Year-to-date Results compared to YTD 2017

- Common shareholders' net income of $122 million, up 26% and pre-tax, pre-provision income of $214 million, up 16%
- Adjusted cash earnings per common share of $1.48, up 23%, reflecting double-digit revenue growth and strong credit quality, partially offset by higher non-interest expenses and acquisition-related fair value changes
- Total revenue of $390 million, up 12%
  - Net interest income of $349 million, up 13%
    - Primarily reflects 10% loan growth, on an average balance basis
    - Net interest margin of 2.57%, up seven basis points
  - Non-interest income of $41 million, up 2%
    - Primarily reflects gains related to the CWT strategic transactions within 'other' non-interest income, partially offset by lower trust services fees as a result of the CWT transactions, and lower credit related fees

Financial Performance | Margin

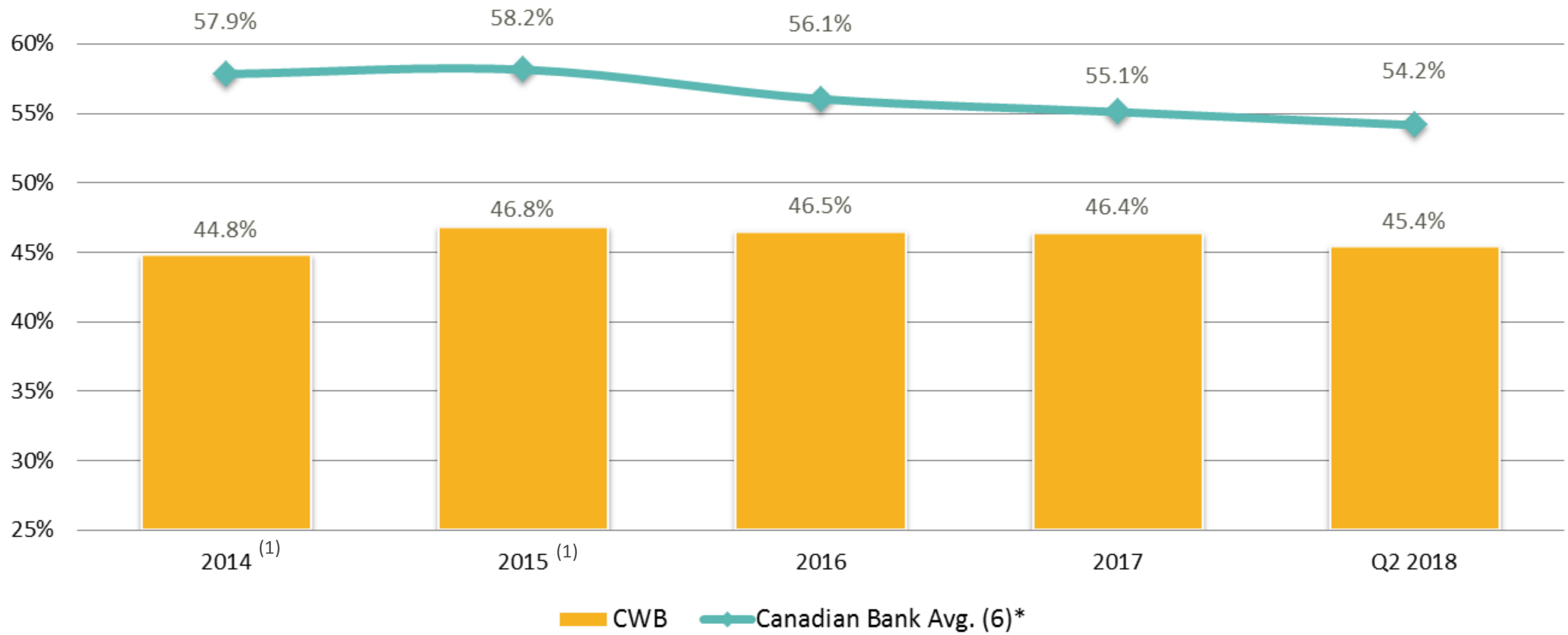
Net Interest Margin and Spread on Loans



- Net interest margin up seven basis points from Q2 2017
  - Higher asset yields, mainly due to three successive Bank of Canada rate increases, which more than offset increased funding costs
- Net interest margin up nine basis points from Q1 2018
  - Higher asset yields and favourable changes in asset mix, with growth of higher-yielding loan portfolios and lower average balances of cash and securities

Financial Performance | Efficiency

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



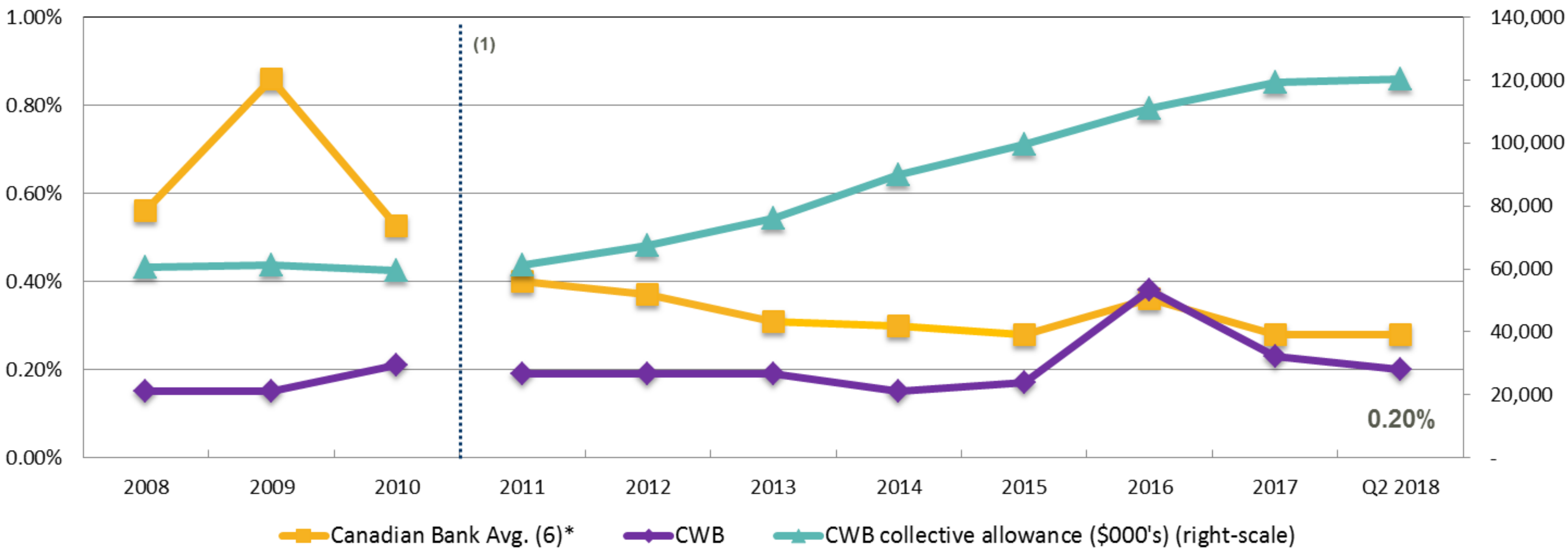
* "Canadian Bank Avg. (6)" as referenced within this presentation is calculated based on information contained in the publicly available company reports of Canada's six largest banks (TSX trading symbols: BMO, BNS, CM, NA, RY, TD).

(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 5.4% 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)

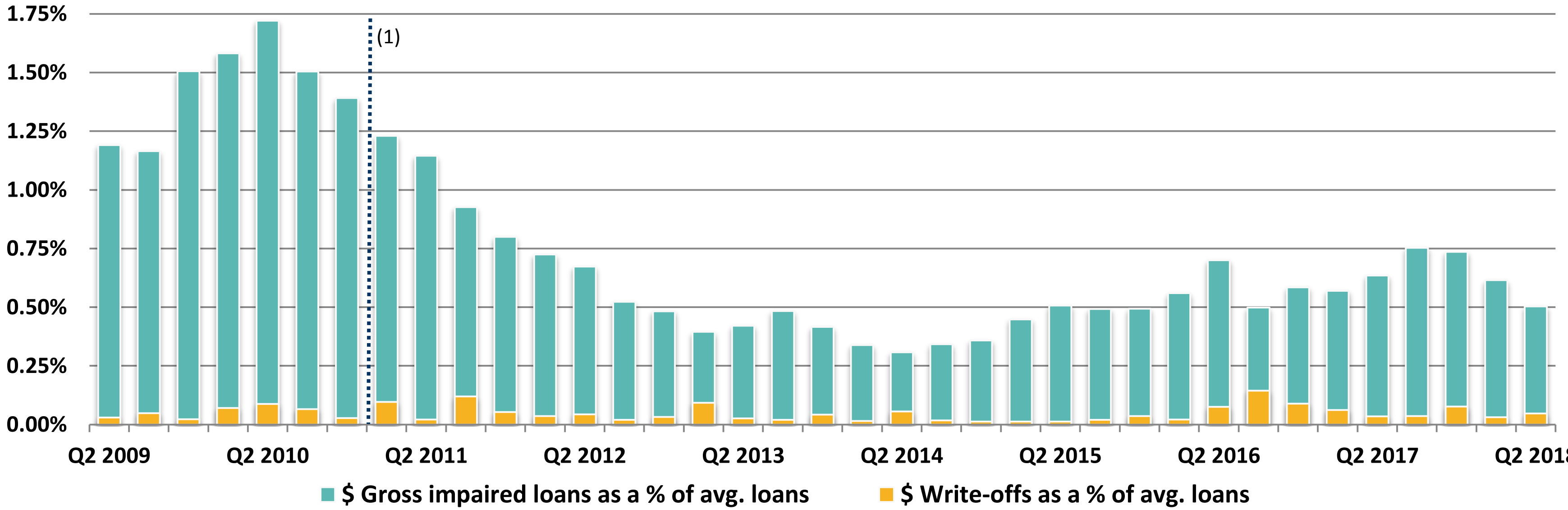


(1) As of Q1 11, financial results are reported under IFRS, as opposed to GAAP, and are not directly comparable.

- Second quarter provision for credit losses represented 20 basis points of average loans, compared to 25 basis points last year and 18 basis points last quarter
- The provision for credit losses 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)



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- 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

Standardized approach for calculating risk-weighted assets	**Q2 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
- Very conservative Basel III leverage ratio

Medium-term Performance Targets

	Target Ranges	Second Quarter Context
Adjusted cash earnings per common share growth(1)	**7 – 12%**	Exceeded target at 24%
Adjusted return on common shareholders' equity(2)	**12 – 15%**	Met target at 12%
Operating leverage (3)	**Positive**	Met target at positive 5.4%
Common equity Tier 1 capital ratio under the Standardized approach (4)	**Strong**	Maintained a very strong ratio of 9.4%
Common share dividend payout ratio (5)	**~30%**	Delivered 36%

(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. Excluded items are not considered to be indicative of ongoing operating performance. **(2)** Adjusted return on common shareholders' equity is calculated as annualized 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 the growth rate of total revenue less the growth rate of non-interest expenses, 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). **(5)** Common share dividend payout ratio is calculated as common share dividends declared during the past twelve months divided by common shareholders' net income earned over the same period.

- Performance target ranges reflect the objectives embedded within CWB's strategic direction and a time horizon consistent with the longer-term interests of our shareholders
- Targets are based on expectations for moderate economic growth and a relatively stable net interest margin environment in Canada over the three- to five-year forecast horizon

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 .