CWB FINANCIAL GROUP

NEWS RELEASE

CWB reports very strong financial performance for the fourth quarter and fiscal 2017
Strong execution of CWB's Balanced Growth strategy with ongoing, targeted diversification
Fourth quarter adjusted cash earnings per common share of $0.74, up 25% from 2016
Fiscal 2017 adjusted cash earnings per common share of $2.63, up 16% from 2016

"CWB's strategic execution and financial performance in fiscal 2017 were both very strong," said Chris Fowler, President and CEO. "We maintained our focus on business owners while delivering growth across a broader geographic footprint with increased industry diversification. We also made significant progress toward the upcoming transformation of our capital management processes, and worked to ensure our ongoing technology investments and process improvements position us to meet the rapid pace of growth and change within our industry. Alongside this strong strategic execution, we delivered record total revenues from core operations and record core pre-tax, pre-provision income, with this latter metric exceeding $100 million in back to back quarters for the first time. We also delivered higher net interest margin in every quarter, positive operating leverage, strong credit quality, and increased our annual common share dividend for the 25th consecutive year. To cap off the year, we announced a highly strategic and accretive acquisition of equipment loans and leases, and general commercial lending assets. As we close fiscal 2017, I want to thank our people for their passion and commitment to help both our clients and CWB achieve our strategic goals. Today, we have an incredible opportunity to create exceptional client experiences for business owners across Canada. There is no doubt in my mind that CWB's future looks more exciting than ever before. Thanks to our tremendous teams, I am very confident in our ability to achieve our full potential together."

Fourth Quarter Fiscal 2017 Highlights[1] (compared to the same period in the prior year)

- Very strong operating performance, with record core common shareholders' net income of $61 million, up 27% and record core pre-tax, pre-provision income (teb) of $104 million, up 17%.
- Diluted and adjusted cash earnings per common share of $0.68 and $0.74, up 26% and 25%, respectively.
- The gain on sale related to the appointment of a successor trustee for Canadian Western Trust's exempt market securities business contributed $0.06 to adjusted cash earnings per common share.
- Record total revenue (teb) from core operations of $196 million, up 16% with strong 14% growth of net interest income (teb).
- Net interest margin (teb) of 2.64%, up 28 basis points from last year and 4 basis points from last quarter.
- Provision for credit losses as a percentage of average loans of 20 basis points, down from 24 basis points last year and unchanged from previous quarter.
- Very strong Basel III regulatory capital ratios under the *Standardized* approach for calculating risk-weighted assets of 9.5% common equity Tier 1 (CET1), 10.8% Tier 1 and 12.5% Total capital.
- Announced an agreement to acquire for cash, on January 31, 2018, approximately $900 million of equipment loans and leases, and general commercial lending assets.

Full-year Fiscal 2017 Highlights[1][2][3] (compared to the prior year)

- Very strong operating performance with common shareholders' net income of $214 million, up 21%, and record core pre-tax-pre-provision income (teb) of $391 million, up 10%.
- Diluted and adjusted cash earnings per common share of $2.42 and $2.63, up 14% and 16%, respectively.
- Record total revenue (teb) from core operations of $729 million, up 10%, including 10% growth of net interest income (teb) and 16% higher non-interest income.
- Positive operating leverage of 0.3%.
- Loan growth of 6%, with 11% growth outside of Alberta and 18% growth of non-Alberta general commercial loans.
- Strong execution of CWB's funding diversification strategy, including record issuance of senior deposit notes in capital markets, growth of securitization capabilities, and stable branch-raised deposits.
- Net interest margin of 2.57%, up 14 basis points, with sequential increases in every quarter.
- Provision for credit losses as a percentage of average loans of 23 basis points, down from 38 basis points.
- Gross impaired loans represented 0.72% of total loans, up from 0.58% last year and down from 0.74% last quarter.
- Increased CWB's annual common share dividend for the 25th consecutive year.
- On November 29, 2017, DBRS confirmed CWB's investment grade issuer credit rating with a stable trend.

Execution of CWB Financial Group's Balanced Growth strategy

Balanced Growth objective	Strategic execution
Full-service client growth with a focus on business owners, including further geographic and industry diversification	➢ 6% annual loan growth, including 11% growth outside of Alberta, with higher net interest margin and a normalized credit experience. ➢ Increased proportion of loan portfolio outside of Western Canada to 23% from 19%, including Ontario up to 19% from 15%. ➢ Increased business diversification with 12% overall growth of general commercial loans, including 18% growth outside of Alberta. ➢ Further growth with increased geographic and industry diversification forthcoming through acquisition of approximately $900 million of assets concentrated outside of Western Canada, to close January 31, 2018.
Growth and diversification of funding sources	➢ Maintained stable balances of relationship-based, branch-raised demand and notice deposits. ➢ Continued to expand securitization capabilities with the addition of a second securitization funding partner and inaugural participation in the Canada Mortgage Bond (CMB) Program. ➢ Delivered a record year for issuance of Senior Deposit Notes in capital markets, raising $950 million through three successful transactions.
Optimized capital management through transition to the *Advanced Internal Ratings Based Approach* (AIRB)	➢ On track for transition to the AIRB approach in 2020, subject to regulatory approval.

Fiscal 2017 financial performance compared to medium-term (3-5 year) target ranges

Key Metrics	Medium-term Performance Target Ranges(1)	Current Context
Adjusted cash earnings per common share growth	7 - 12%	Exceeded target at 16%.
Adjusted return on common shareholders' equity	12 - 15%	Delivered 11.0%, with significant improvement from 9.9% in 2016.
Operating leverage(2)	Positive	Met target at positive 0.3%.
Common equity Tier 1 capital ratio under the Standardized approach(1)	Strong	Exceeded target with a very strong ratio of 9.5%.
Common share dividend payout ratio(3)	~30%	Delivered 38%, with an annual common share dividend increase for the 25th consecutive year.

(1) Refer to definitions following the table of Selected Financial Highlights on page 3.
(2) Operating leverage is calculated as total revenue (teb) growth over the past twelve months, less non-interest expense growth over the past twelve months, excluding the pre-tax amortization of acquisition-related intangible assets.
(3) 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.

Selected Financial Highlights

(unaudited) ($ thousands, except per share amounts)	For the three months ended **October 31 2017**	July 31 2017	October 31 2016	Change from October 31 2016	For the year ended **October 31 2017**	October 31 2016	Change from October 31 2016
Results from Operations							
Net interest income (teb)	**$ 170,993**	$ 164,555	$ 149,704	14 %	**$ 644,652**	$ 588,464	10 %
Less teb adjustment	**499**	564	579	(14)	**2,262**	3,240	(30)
Net interest income per financial statements	**170,494**	163,991	149,125	14	**642,390**	585,224	10
Non-interest income	**24,628**	19,852	19,127	29	**84,245**	72,672	16
Total revenue (teb)	**195,621**	184,407	168,831	16	**728,897**	661,136	10
Total revenue	**195,122**	183,843	168,252	16	**726,635**	657,896	10
Pre-tax, pre-provision income (teb)(1)	**104,401**	100,924	89,497	17	**390,991**	353,843	10
Common shareholders' net income	**60,833**	56,308	47,834	27	**214,277**	177,761	21
Earnings per common share							
Basic	**0.69**	0.64	0.54	28	**2.43**	2.13	14
Diluted	**0.68**	0.64	0.54	26	**2.42**	2.13	14
Adjusted cash(2)	**0.74**	0.69	0.59	25	**2.63**	2.26	16
Return on common shareholders' equity(3)	**11.2 %**	10.4 %	9.3 %	190 bp(9)	**10.1 %**	9.3 %	80 bp(9)
Adjusted return on common shareholders' equity(4)	**12.0**	11.3	10.1	190	**11.0**	9.9	110
Return on assets(5)	**0.94**	0.89	0.76	18	**0.85**	0.73	12
Efficiency ratio (teb)(6)	**46.6**	45.3	47.0	(40)	**46.4**	46.5	(10)
Efficiency ratio(6)	**46.8**	45.4	47.2	(40)	**46.5**	46.7	(20)
Net interest margin (teb)(7)	**2.64**	2.60	2.36	28	**2.57**	2.43	14
Net interest margin(7)	**2.63**	2.59	2.35	28	**2.56**	2.41	15
Provision for credit losses as a percentage of average loans	**0.20**	0.20	0.24	(4)	**0.23**	0.38	(15)
Number of full-time equivalent staff	**2,058**	2,034	1,966	5 %	**2,058**	1,966	5 %
Per Common Share							
Cash dividends	**$ 0.24**	$ 0.23	$ 0.23	4 %	**$ 0.93**	$ 0.92	1 %
Book value	**24.82**	24.31	23.58	5	**24.82**	23.58	5
Closing market value	**36.34**	28.00	25.45	43	**36.34**	25.45	43
Common shares outstanding (thousands)	**88,494**	88,361	88,103	-	**88,494**	88,103	-
Balance Sheet and Off-Balance Sheet Summary							
Assets	**$ 26,447,453**	$ 25,344,867	$ 25,222,549	5 %			
Loans	**23,229,239**	22,718,871	21,961,348	6			
Deposits	**21,902,982**	20,880,279	21,194,553	3			
Debt	**1,476,336**	1,325,270	1,268,198	16			
Shareholders' equity	**2,461,045**	2,412,767	2,342,040	5			
Assets under administration	**10,408,012**	11,441,989	10,689,398	(3)			
Assets under management	**2,114,861**	1,974,733	1,924,181	10			
Capital Adequacy(8)							
Common equity Tier 1 ratio	**9.5 %**	9.6 %	9.2 %	30 bp(9)			
Tier 1 ratio	**10.8**	10.9	11.0	(20)			
Total ratio	**12.5**	12.7	13.1	(60)			

(1) Pre-tax, pre-provision income is calculated as total revenue (teb) less non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets.
(2) Adjusted cash EPS is calculated as diluted earnings per common share excluding the amortization of acquisition-related intangible assets and contingent consideration fair value changes, net of tax. Excluded items are not considered to be indicative of ongoing business performance.
(3) Return on common shareholders' equity is calculated as common shareholders' net income divided by average common shareholders' equity.
(4) Adjusted return on common shareholders' equity is calculated as common shareholders' net income excluding the amortization of acquisition-related intangible assets and contingent consideration fair value changes, net of tax, divided by average common shareholders' equity.
(5) Return on assets is calculated as common shareholders' net income divided by average total assets.
(6) Efficiency ratio is calculated as non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets, divided by total revenues.
(7) Net interest margin is calculated as net interest income divided by average total assets.
(8) Capital adequacy is calculated in accordance with Basel III guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI).
(9) bp – basis point change.

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 International Financial Reporting Standards (IFRS) and, therefore, may not be comparable to similar measures presented by other financial institutions. Total revenues, net interest income and income taxes are discussed on a taxable equivalent basis throughout this quarterly report to shareholders.

Non-IFRS Measures

CWB uses a number of financial measures to assess its performance. These measures provide readers with an enhanced understanding of how management views the results. Non-IFRS measures may also provide readers the ability to analyze trends and provide comparisons with our competitors. Taxable equivalent basis, adjusted cash earnings per common share, adjusted return on common shareholders' equity, return on assets, efficiency ratio, net interest margin, common equity Tier 1, 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.

References to core common shareholders' net income, core pre-tax-pre-provision income (teb), and total revenues (teb) from core operations exclude divestiture gains recorded in the third quarter of fiscal 2015.

Financial Summary

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 within the Outlook sections of CWB's annual MD&A.

Financial Summary

This financial summary, dated December 6, 2017, should be read in conjunction with Canadian Western Bank's (CWB) unaudited interim consolidated financial statements for the period ended October 31, 2017 and the audited consolidated financial statements and Management's Discussion and Analysis (MD&A) for the year ended October 31, 2016, available on SEDAR at www.sedar.com and the Bank's website at www.cwb.com. The 2017 Annual Report, including MD&A and audited consolidated financial statements, for the year ended October 31, 2017 is expected to be available on both SEDAR and CWB's website on December 7, 2017. The 2017 Annual Report will be distributed to shareholders in February 2018.

Strategic Transactions

On October 30, 2017, CWB entered into a definitive asset purchase agreement to acquire for cash approximately $900 million of equipment loans and leases, and general commercial lending assets. The loans and leases to be acquired are fully aligned with CWB's balanced growth strategy, including strategic objectives for industry and geographic diversification. The portfolio is primarily comprised of assets concentrated within the transportation, construction and healthcare industries, with approximately three quarters of the exposures distributed outside of Western Canada. The transaction is expected to close on January 31, 2018. CWB expects the transaction to be immediately accretive to earnings per common share and return on common shareholders' equity, with positive contributions in fiscal 2018 to net interest margin and operating leverage. Management expects the acquired portfolio to contribute at least $0.10 of adjusted cash earnings per common share in both fiscal 2018 and 2019, while contributing to a slight increase in the provision for credit losses as a percentage of average loans. CWB's common equity Tier 1 capital (CET1) ratio will remain in a very strong position upon closing, with approximately 30 basis points of existing CET1 capital to be deployed as part of the purchase. Management expects to fund the portfolio primarily through its securitization facilities.

On August 16, 2017, CWB announced that Canadian Western Trust (CWT) will focus its activities within business lines that are most aligned with the strategic objectives of CWB Financial Group, and will no longer offer self-directed account services to holders of exempt market securities. CWT appointed a successor trustee effective September 28, 2017. As a result of the agreement, CWB realized a pre-tax gain on sale of approximately $6 million this quarter and annual revenues from trust services are expected to be approximately $4 million lower next year. Approximately $71 million of deposits and $1.3 billion of assets under administration transferred to the successor trustee on the closing date.

On July 1, 2016, CWB acquired the portfolio now referred to as CWB Franchise Finance, along with key employees to support business growth. The business provides financing across Canada to a diverse group of established companies in the franchised hospitality and restaurant industries.

On March 1, 2016, CWB acquired the non-securitized lending assets and other net business assets, including key employees, of CWB Maxium Financial (CWB Maxium). Under the terms of the purchase agreement, contingent payment installments will be made annually with determination of the total amount payable based on CWB Maxium's cumulative business performance over a 36-month period. CWB paid the first contingent consideration instalment in cash in the first quarter of fiscal 2017. Both CWB Maxium and CWB Franchise Finance acquisitions have delivered strong performance since closing, consistent with expectations.

Overview of Financial Performance

Q4 2017 vs. Q4 2016

Common shareholders' net income of $61 million and pre-tax, pre-provision income (teb) of $104 million were up 27% and 17%, respectively. Very strong earnings growth was primarily driven by record quarterly revenues (teb) from core operations of $196 million, up 16% from the same period last year. Net interest income (teb) of $171 million was up 14%, reflecting the combined positive impact of the 28 basis point increase in net interest margin (teb) to 2.64% and 6% loan growth. Non-interest income of $25 million increased 29%, primarily driven by the gain on the sale related to the appointment of a successor trustee for CWT's exempt market securities business. The provision for credit losses as a percentage of average loans of 20 basis points was down from 24 basis points. These factors were partially offset by 15% higher non-interest expenses to support business growth and increased acquisition-related fair value changes. Diluted earnings per common share of $0.68 and adjusted cash earnings per common share of $0.74 increased 26% and 25%, respectively, reflecting the factors noted above. The CWT-related gain on sale contributed $0.06 to adjusted cash earnings per common share.

Financial Summary

Q4 2017 vs. Q3 2017

Sequential growth of common shareholders' net income and pre-tax, pre-provision income was very strong, at 8% and 3%, respectively. Total revenue (teb) growth of 6% was significant, reflecting 4% higher net interest income (teb) and a 24% increase in non-interest income. Higher net interest income reflects the combined positive impact of 2% loan growth and a four basis point increase in net interest margin (teb). The increase in non-interest income was primarily due to the CWT-related gain on the sale within 'other' non-interest income. The provision for credit losses was unchanged at 20 basis points of average loans. Partially offsetting these factors were 9% higher non-interest expenses to support business growth and a slight increase in acquisition-related fair value changes. Diluted earnings per common share and adjusted cash earnings per common share were up 6% and 7%, respectively.

2017 vs. 2016

Common shareholders' net income of $214 million and record core pre-tax, pre-provision income (teb) of $391 million increased 21% and 10%, respectively. Very strong earnings growth resulted mainly from a 10% increase in total revenue (teb) and a normalized provision for credit losses. Net interest income (teb) of $645 million was up 10% from 2016, reflecting the combined positive impact of 6% loan growth and a 14 basis point increase in net interest margin (teb) to 2.57%. Non-interest income of $84 million increased 16%, primarily due to higher credit related fees, the CWT-related gain on sale, and higher wealth management fees. The provision for credit losses normalized to 23 basis points of average loans, compared to 38 basis points in the prior year. These factors were partially offset by 10% growth of non-interest expenses, higher acquisition-related fair value changes, and increased preferred share dividends. Diluted earnings per common share of $2.42 and adjusted cash earnings per common share of $2.63 were up 14% and 16%, respectively.

Higher Adjusted ROE and ROA

Fourth quarter adjusted return on common shareholders' equity (ROE) of 12.0% was up 190 basis points from the same period last year. This was primarily driven by very strong growth in common shareholders' net income, reflecting effective execution of CWB's Balanced Growth strategy and strong performance across CWB Financial Group, as well as the impact of the CWT-related gain on sale.

Adjusted ROE was up 70 basis points compared to the prior quarter, reflecting the same factors.

Full-year adjusted ROE of 11.0% increased 110 basis points reflecting strong financial performance in 2017 and the impact of energy-related provisions for credit losses last year. These factors were partially offset by the impact of common shares issued in the third quarter of 2016.

Return on assets (ROA) was 0.94% in the fourth quarter, compared to 0.76% in the same period last year and 0.89% last quarter. ROA for the year was 0.85%, up 12 basis points from 2016.

Higher Net Interest Margin

Fourth quarter net interest margin (teb) of 2.64% was up 28 basis points from the same period last year. This reflected a number of factors, including:

- increased asset yields due to the higher interest rate environment, steepening of the yield curve, and the positive impact of pricing discipline across the portfolio;
- favourable changes in asset mix with increased contributions from the relatively higher-yielding CWB Maxium and CWB Franchise Finance portfolios, and lower average balances of cash and securities; and,
- favourable changes in funding mix through a combination of branch-raised deposit growth, stable utilization of deposits sourced through the broker market, and redemption of higher-cost capital markets funding instruments.

Net interest margin (teb) increased four basis points from the prior quarter. Incorporating the impact on both asset yields and deposit costs, Bank of Canada rate increases in July and September contributed six basis points to net interest margin, partially offset by higher average balances of cash and securities.

Full-year net interest margin (teb) of 2.57% increased 14 basis points, with sequential increases in every quarter. Significant improvement in this key metric resulted from a number of factors including higher asset yields, favourable changes in funding mix, and favourable changes in asset mix, partially offset by incrementally higher funding costs. Incorporating the impact on both asset yields and deposit costs, the Bank of Canada rate increases contributed approximately two basis points to net interest margin on a full-year basis.

Efficient Operations and Positive Operating Leverage

The fourth quarter efficiency ratio (teb) of 46.6%, which measures non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets, divided by total revenues (teb), improved from 47.0% in the same period last year and increased from 45.3% in the previous quarter.

Year-over-year improvement reflects the combined positive impact of higher revenues from consistent sequential increases in net interest margin (teb) and ongoing loan growth, as well as effective management of discretionary expense growth. The increase in CWB's efficiency ratio from the prior quarter primarily reflects the customary seasonal increase of non-interest expenses across all categories in the final quarter of the fiscal year. The full-year efficiency ratio (teb) of 46.4% was relatively unchanged from 46.5% in 2016, reflecting the same factors noted in the comparison of fourth quarter 2017 results with the fourth quarter last year.

Operating leverage, which is calculated as the growth rate of total revenue (teb) less the growth rate of non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets, over the past 12 months, was positive 0.3% compared to 0.8% last year.

Profitable Loan Growth

Total loans, excluding the allowance for credit losses, of $23,346 million increased 6% ($1,281 million) from last year and 2% ($504 million) from the prior quarter. Excluding CWB's Alberta portfolio, where growth has been constrained by the lagging impact of the 2015 – 2016 regional recession, overall loan growth was 11% from last year and 4% from the prior quarter.

(unaudited) ($ millions)	**October 31 2017**	% of total as at October 31 2017	July 31 2017	October 31 2016	% change from October 31 2016
General commercial loans	**$ 6,307**	27 %	$ 5,903	$ 5,644	12 %
Personal loans and mortgages	**4,726**	20	4,606	4,064	16
Commercial mortgages	**4,267**	18	4,163	4,189	2
Real estate project loans	**4,030**	17	4,207	4,236	(5)
Equipment financing and leasing	**3,892**	17	3,832	3,711	5
Oil and gas production loans	**124**	1	131	221	(44)
Total loans excluding the allowance for credit losses	**$ 23,346**	100 %	$ 22,842	$ 22,065	6 %

Year-over-year growth by lending sector was consistent with CWB's Balanced Growth strategy. In dollar terms, growth was led by general commercial loans ($663 million), which includes the contributions of CWB Maxium and CWB Franchise Finance, followed closely by personal loans and mortgages ($662 million), including sustained strong performance within CWB Optimum Mortgage ($463 million). Mortgage application volumes within CWB Optimum were elevated in the late spring and early summer due to challenges faced by its largest direct competitor and growth accelerated moderately early in the third quarter. However, management tightened lending criteria and origination volumes were maintained at levels consistent with CWB's strategic growth objectives and established risk appetite. Application volumes returned to more normal levels through the latter part of the fiscal year.

Management's response to these events was supported by continuous review of CWB's three lines of defence framework and risk appetite parameters. This ongoing work is undertaken to ensure vigilant risk management and strong underwriting. During fiscal 2017, related efforts in respect to residential mortgages were focused to ensure fulsome oversight of all controls, including those that detect fraud, as well as compliance with the changes to OSFI's Guideline B-20, *Residential Mortgage Underwriting Practices and Procedures*.

In percentage terms, annual growth within the strategically targeted general commercial category was 12% overall, and 18% outside of Alberta. Equipment financing and leasing, and commercial mortgages increased $181 million and $78 million, respectively. Real estate project loans contracted $206 million, consistent with guidance provided last year, reflecting the successful completion of development projects along with reduced new activity within Alberta. CWB maintained a proactive approach in managing its small portfolio of oil and gas production loans over the past year, reducing outstanding balances by $97 million.

On a sequential basis, loan growth exceeded $500 million for the second consecutive quarter. Performance within general commercial loans was very strong with a $404 million increase, partly reflecting strong growth within CWB Maxium. Sequential loan growth within this category was 7% overall, and 12% excluding Alberta, reflecting strong contributions from both CWB Maxium and CWB Franchise Finance. Personal loans and mortgages were up $120 million in the fourth quarter, commercial mortgages increased $104 million, and equipment finance and leasing was up $60 million. Real estate project loans contracted $177 million, and oil and gas production loans were down $7 million.

(unaudited) ($ millions)	October 31 2017	% of total as at October 31 2017	July 31 2017	October 31 2016	% change from October 31 2016
British Columbia	**$ 8,145**	35 %	$ 7,991	$ 7,808	4 %
Alberta	**7,728**	33	7,824	7,999	(3)
Ontario	**4,397**	19	3,965	3,347	31
Saskatchewan	**1,343**	6	1,331	1,355	(1)
Manitoba	**737**	3	727	704	5
Other	**996**	4	1,004	852	17
Total loans excluding the allowance for credit losses	**$ 23,346**	100 %	$ 22,842	$ 22,065	6 %

Ontario continued to lead year-over-year loan growth by province in dollar terms with a significant increase of approximately $1.1 billion. Growth in British Columbia was also strong at $337 million. Quebec and the Atlantic provinces contributed growth of $144 million, and Manitoba was up $33 million. Strong growth in Ontario and the other provinces outside of Western Canada reflects the geographic diversification objectives embedded within CWB's Balanced Growth strategy, underpinned by strong performance from CWB's businesses that have a national footprint, including CWB Maxium, CWB Optimum Mortgage, National Leasing, and CWB Franchise Finance. Outstanding loans within Alberta and Saskatchewan were down 3% and 1%, respectively, primarily reflecting the lagging impact of the 2015 – 2016 regional recession on new lending opportunities. CWB remains very active in supporting business owners in these provinces and pursuing new business as the economic recovery takes hold. New and additional lending on a combined basis in Alberta and Saskatchewan exceeded $1 billion in every quarter this year, offset by paydowns and payouts.

Compared to the prior quarter, the strongest growth was apparent in Ontario and British Columbia, while Alberta was down 1%.

Strong Credit Quality

Overall credit quality is consistent with expectations and continues to reflect CWB's secured lending business model, disciplined underwriting practices and proactive loan management.

(unaudited) ($ thousands)	For the three months ended October 31 2017	 July 31 2017	 October 31 2016	Change from October 31 2016
Gross impaired loans, beginning of period	**$ 168,684**	$ 137,834	$ 106,711	58 %
New formations	**54,214**	56,765	50,298	8
Reductions, impaired accounts paid down or returned to performing status	**(37,132)**	(17,803)	(10,355)	259
Write-offs	**(17,505)**	(8,112)	(19,442)	(10)
Total(1)	**$ 168,261**	$ 168,684	$ 127,212	32 %
Balance of the ten largest impaired accounts	**$ 70,935**	$ 83,714	$ 61,397	16 %
Total number of accounts classified as impaired(3)	**237**	227	232	2
Gross impaired loans as a percentage of total loans	**0.72 %**	0.74 %	0.58 %	14 bp(2)

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $1,983 (July 31, 2017 – $2,275 and October 31, 2016 – $3,876).
(2) bp – basis point change.
(3) Total number of accounts excludes National Leasing.

The dollar level of gross impaired loans at October 31, 2017 totaled $168 million, up from $127 million last year and relatively unchanged from the prior quarter. The dollar level of gross impaired loans represented 0.72% of total loans at quarter end, compared to 0.58% last year and 0.74% at July 31, 2017. Gross impaired loans within Alberta of $106 million accounted for 63% of total impairments at year end, compared to 51% last year and 56% in the prior quarter. Gross impaired loans within the general commercial category amounted to $58 million, compared to $18 million at the end of 2016. Of the total impairments in this category, approximately 72% is comprised of Alberta exposures, compared to 81% last year. Gross impaired loans from CWB's equipment financing and leasing exposures were $51 million compared to $40 million last year. Approximately 50% of the gross impaired balance in this category is comprised of Alberta exposures, relatively unchanged from last year. The overall higher balance of impaired loans as a percentage of total loans compared to last year, with an increasing proportion of impairments located in Alberta, is consistent with management's expectations and reflects the lagging impacts of the 2015 – 2016 regional recession. Gross impairments outside of Alberta represented 0.40% of total non-Alberta loans, compared to 0.44% last year.

The 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. The overall loan portfolio is reviewed regularly with credit decisions undertaken on a case-by-case basis to provide early identification of possible adverse trends.

Ongoing loan management processes include assignment of experienced credit adjudicators to assist branches and credit teams to proactively identify and address higher risk loans. Loans that have become impaired are monitored closely by a specialized team with regular reviews of each loan and its realization plan. Specific allowances for expected write-offs are established through detailed analyses of both the overall quality and marketability of security held against each impaired account.

As at October 31, 2017, the total allowance for credit losses (collective and specific) was $136 million, compared to $127 million a year ago and $141 million last quarter.

The total allowance for credit losses represented 81% of gross impaired loans at quarter end, compared to 100% last year and 84% in the prior quarter. The collective allowance for credit losses increased 8% over the past twelve months and was relatively unchanged from the prior quarter.

Normalized Provision for Credit Losses

The fourth quarter provision for credit losses of 20 basis points of average loans compares to 24 basis points in the same quarter last year and 20 basis points in the prior quarter.

The annual provision for credit losses as a percentage of average loans in fiscal 2017 was 23 basis points. This is consistent with CWB's traditional range of 18 – 23 basis points, and slightly better than guidance provided by management early in fiscal 2017 for the full-year provision to fall in a range between 25 and 35 basis points. The annual provision last year was abnormally high at 38 basis points due to the impact of energy-related losses.

Growth and Diversification of Funding Sources

Total deposits were up 3% over the past year ($708 million) and up 5% ($1.0 billion) from the prior quarter. Relationship-based branch-raised funding increased 2% from last year, and 1% from the prior quarter. Of note, the average balance of branch-raised deposits on a full-year basis was up 7% compared to 2016, including the impact of $71 million of branch-raised deposits transferred to the successor trustee for CWT's accounts holding exempt market securities during the fourth quarter. CWB delivered strong execution against its funding diversification strategy. This included a new record for issuance of senior deposit notes in capital markets, with $950 million raised across three successful transactions, as well as increased use of cost effective securitization funding through the addition of a second securitization partner, continued participation in the National Housing Act Mortgage Backed Securities (NHA MBS) program, and initial participation in the Canada Mortgage Bond (CMB) program during the fourth quarter.

Total deposits by type and source are summarized below:

(unaudited) ($ millions)	As at **October 31 2017**	 July 31 2017	 October 31 2016	Change from October 31 2016
Deposits by type				
Demand and notice deposits	**$ 7,641**	$ 7,745	$ 7,694	(1) %
Term deposits	**12,098**	11,279	11,640	4
Capital markets	**2,164**	1,856	1,861	16
Total Deposits	**$ 21,903**	$ 20,880	$ 21,195	3 %

(unaudited) ($ millions)	As at **October 31 2017**	 July 31 2017	 October 31 2016	Change from October 31 2016
Deposits by source				
CWB Group branch-raised	**$ 11,816**	$ 11,701	$ 11,617	2 %
Deposit brokers	**7,923**	7,323	7,717	3
Capital markets	**2,164**	1,856	1,861	16
Total Deposits	**$ 21,903**	$ 20,880	$ 21,195	3 %

Personal deposits represented 61% of total deposits at October 31, 2017, compared to 62% last year and unchanged from the prior quarter. Total branch-raised deposits, including trust services deposits, accounted for 54% of total deposits at October 31, 2017, compared to 55% last year and 56% in the prior quarter. Demand and notice deposits comprise 35% of total deposits, compared to 36% last year and 37% last quarter. The deposit broker network remains an efficient source for raising insured fixed term retail deposits and has proven to be a reliable and effective way to access funding and liquidity over a wide geographic base. CWB raises only fixed-term broker deposits, with terms to maturity between one and five years, and does not offer a High Interest Savings Account (HISA) product. Term deposits raised through the broker network represented 36% of total funding at quarter end, unchanged from 36% last year and up slightly from 35% last quarter. Total deposits raised through debt capital markets of $2.2 billion represented 10% of total deposits at October 31, 2017, up from 9% both last year and last quarter.

Securitization

Securitized leases, loans and mortgages are reported on-balance sheet with total loans. The gross amount of securitized leases at October 31, 2017 was $1,212 million, compared to $1,030 million last year and $1,082 million last quarter. Gross participation in the National Housing Act Mortgage Backed Securities (NHA MBS) program was $381 million (July 31, 2017 - $355 million; October 31, 2016 - $391 million).

Fiscal 2017 funding from the securitization of leases, loans and mortgages was $739 million (2016 - $734 million), including $40 million from CWB's inaugural participation in the CMB program.

Prudent Capital Management

With a very strong capital position under the more conservative *Standardized* approach for calculating risk weighted assets, CWB is well-positioned to create value for shareholders through a range of capital deployment options consistent with our balanced growth strategy. Ongoing support and development of each of CWB's businesses will remain a key priority, and we will continue to evaluate potential strategic acquisitions. Management expects to deploy approximately 30 basis points of CET1 capital to close the acquisition of approximately $900 million of equipment loans and leases, and general commercial lending assets on January 31, 2018. A normal course issuer bid (NCIB) authorizing CWB to purchase for cancellation prior to September 30, 2018, up to 1,767,000 common shares, representing approximately 2% of the issued and outstanding common shares, has been approved by OSFI and the Toronto Stock Exchange. No shares have been purchased through the NCIB as at October 31, 2017. Management may choose to activate the NCIB in fiscal 2018 should appropriate circumstances become apparent.

At October 31, 2017, CWB's capital ratios were 9.5% CET1, 10.8% Tier 1 and 12.5% total capital. Further details regarding CWB's regulatory capital and capital adequacy ratios are included in the following table:

(unaudited) ($ millions)	**As at October 31 2017**	As at July 31 2017	As at October 31 2016
Regulatory capital			
CET1 capital before deductions	**$ 2,216**	$ 2,169	$ 2,072
Net CET1 deductions	**(206)**	(206)	(209)
CET1 capital	**2,010**	1,963	1,863
Tier 1 capital(1)	**2,275**	2,228	2,233
Total capital(1)	**2,644**	2,596	2,669
Risk-weighted assets	**$ 21,082**	$ 20,527	$ 20,362
Capital adequacy ratios			
CET1	**9.5 %**	9.6 %	9.2 %
Tier 1	**10.8**	10.9	11.0
Total	**12.5**	12.7	13.1

(1) The 2017 inclusion of non-common equity instruments that do not include NVCC clauses is capped at 50% of the January 1, 2013 outstanding balances (2016 - 60%). For all periods, there was no exclusion from regulatory capital related to NVCC instruments.

The increase of 30 basis points in CWB's CET1 capital ratio from last year was primarily driven by strong growth of retained earnings. On December 31, 2016, CWB redeemed both the $105 million senior deposit note held by CWB Capital Trust and all outstanding CWB Capital Trust Capital Securities Series 1 (WesTS), which did not qualify as non-viability contingent capital (NVCC) under the Basel III regulatory capital requirements. The redemption resulted in a $105 million reduction in CWB's Tier 1 regulatory capital and reduced both the Tier 1 and Total capital ratios by approximately 50 basis points. CWB redeemed all $75 million outstanding 5.571% subordinated debentures on March 22, 2017. This redemption reduced the Total capital ratio by approximately 40 basis points. At 8.3%, the Basel III leverage ratio remains very conservative.

Dividends

On December 6, 2017, CWB's Board of Directors declared a cash dividend of $0.24 per common share, payable on January 4, 2018 to shareholders of record on December 15, 2017. This quarterly dividend is consistent with the prior quarter and 4% higher than the dividend declared one year ago. The Board of Directors also declared a cash dividend of $0.275 per Series 5 Preferred Share, and a cash dividend of $0.390625 per Series 7 Preferred Share, both payable on January 31, 2018 to shareholders of record on January 19, 2018.

Management evaluates common share dividend increases every quarter against our dividend payout ratio target of approximately 30% of common shareholders' net income, as well as capital requirements under the *Standardized* approach to support ongoing strong and balanced asset growth. While the dividend payout ratio this quarter was approximately 38%, CWB expects earnings growth to result in migration of this metric toward the 30% target while supporting CWB's track record of annual dividend increases over the medium-term.

Dividend Reinvestment Plan

CWB common shares (TSX: CWB) and preferred shares (TSX: CWB.PR.B and CWB.PR.C) are deemed eligible to participate in CWB'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 CWB's website. CWB has elected to issue common shares for the Plan from treasury at the average market price (as defined in the Plan).

Fiscal 2017 Fourth Quarter and Annual Results Conference Call

CWB's fourth quarter and annual results conference call is scheduled for Thursday, December 7, 2017, at **2:00 p.m. ET (12:00 noon MT**). CWB'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 (703) 736-7380 or toll-free (844) 400-1695. The call will also be webcast live on the CWB's website, www.cwb.com.

A replay of the conference call will be available until December 14, 2017, by dialing (855) 859-2056 (toll-free) and entering passcode 9785937.

About CWB Financial Group

CWB Financial Group (CWB) is a diversified financial services organization serving businesses and individuals across Canada. Operating from its headquarters in Edmonton, Alberta, CWB's key business lines include full service business and personal banking offered through 42 branches of Canadian Western Bank and Internet banking services provided by Motive Financial. Highly responsive specialized financing is delivered under the banners of CWB Optimum Mortgage, CWB Equipment Financing, National Leasing, CWB Maxium Financial and CWB Franchise Finance. Trust Services are offered through Canadian Western Trust. Comprehensive wealth management offerings are provided through CWB Wealth Management, which includes the businesses of McLean & Partners Wealth Management and Canadian Western Financial. As a public company on the Toronto Stock Exchange (TSX), CWB trades under the symbols "CWB" (common shares), "CWB.PR.B" (Series 5 Preferred Shares) and "CWB.PR.C" (Series 7 Preferred Shares). Learn more at www.cwb.com.

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Adjusted Financial Measures

Adjusted Financial Measures

(unaudited) ($ thousands)	For the three months ended October 31 2017	July 31 2017	October 31 2016	Change from October 31 2016	For the year ended October 31 2017	October 31 2016	Change from October 31 2016
Non-interest expenses	**$ 93,129**	$ 85,383	$ 81,129	15 %	**$ 345,466**	$ 313,647	10 %
Adjustments (before tax):							
Amortization of acquisition-related intangible assets	**(1,909)**	(1,900)	(1,795)	6	**(7,560)**	(6,354)	19
Adjusted non-interest expenses	**$ 91,220**	$ 83,483	$ 79,334	15 %	**$ 337,906**	$ 307,293	10 %
Common shareholders' net income	**$ 60,833**	$ 56,308	$ 47,834	27 %	**$ 214,277**	$ 177,761	21 %
Adjustments (after-tax):							
Acquisition-related fair value changes	**3,462**	3,364	2,879	20	**13,402**	5,775	132
Amortization of acquisition-related intangible assets	**1,408**	1,401	1,324	6	**5,572**	4,682	19
Adjusted common shareholders' net income	**$ 65,703**	$ 61,073	$ 52,037	26 %	**$ 233,251**	$ 188,218	24 %

Pre-tax, pre-provision (PTPP) income

(unaudited) ($ thousands)	For the three months ended October 31 2017	July 31 2017	October 31 2016	Change from October 31 2016	For the year ended October 31 2017	October 31 2016	Change from October 31 2016
Total revenue (teb)	**$ 195,621**	$ 184,407	$ 168,831	16 %	**$ 728,897**	$ 661,136	10 %
Less:							
Adjusted non-interest expenses	**91,220**	83,483	79,334	15	**337,906**	307,293	10
Pre-tax, pre-provision income	**$ 104,401**	$ 100,924	$ 89,497	17 %	**$ 390,991**	$ 353,843	10 %

Consolidated Balance Sheets

(unaudited) ($ thousands)	**As at October 31 2017**	As at July 31 2017	As at October 31 2016	Change from October 31 2016
Assets				
Cash Resources				
Cash and non-interest bearing deposits with financial institutions	**$ 17,491**	$ 57,599	$ 11,490	52 %
Interest bearing deposits with regulated financial institutions	**503,895**	137,633	890,516	(43)
Cheques and other items in transit	**410**	1,427	18,050	(98)
	521,796	196,659	920,056	(43)
Securities				
Issued or guaranteed by Canada	**1,307,298**	1,097,193	1,142,798	14
Issued or guaranteed by a province or municipality	**438,858**	578,505	291,947	50
Other debt securities	**308,421**	118,706	154,648	99
Preferred shares	**132,410**	139,092	119,201	11
	2,186,987	1,933,496	1,708,594	28
Securities Purchased Under Resale Agreements	**-**	-	163,318	(100)
Loans				
Personal	**4,725,715**	4,605,813	4,063,552	16
Business	**18,619,853**	18,236,098	18,001,584	3
	23,345,568	22,841,911	22,065,136	6
Allowance for credit losses	**(116,329)**	(123,040)	(103,788)	12
	23,229,239	22,718,871	21,961,348	6
Other				
Property and equipment	**56,115**	55,555	57,330	(2)
Goodwill	**85,669**	85,669	84,762	1
Intangible assets	**149,730**	149,344	149,312	-
Derivative related	**12,393**	6,619	10,370	20
Other assets	**205,524**	198,654	167,459	23
	509,431	495,841	469,233	9
Total Assets	**$ 26,447,453**	$ 25,344,867	$ 25,222,549	5 %
Liabilities and Equity				
Deposits				
Personal	**$ 13,394,562**	$ 12,785,428	$ 13,223,702	1 %
Business and government	**8,508,420**	8,094,851	7,970,851	7
	21,902,982	20,880,279	21,194,553	3
Other				
Cheques and other items in transit	**55,545**	53,486	27,683	101
Securities sold under repurchase agreements	**58,358**	264,401	-	100
Derivative related	**35,381**	31,696	7,172	393
Other liabilities	**455,009**	375,556	382,130	19
	604,293	725,139	416,985	45
Debt				
Debt securities	**1,226,336**	1,075,270	943,198	30
Subordinated debentures	**250,000**	250,000	325,000	(23)
	1,476,336	1,325,270	1,268,198	16
Equity				
Preferred shares	**265,000**	265,000	265,000	-
Common shares	**731,885**	727,539	718,377	2
Retained earnings	**1,488,634**	1,450,386	1,354,966	10
Share-based payment reserve	**24,979**	27,325	31,276	(20)
Other reserves	**(49,453)**	(57,483)	(27,579)	79
Total Shareholders' Equity	**2,461,045**	2,412,767	2,342,040	5
Non-controlling interests	**2,797**	1,412	773	262
Total Equity	**2,463,842**	2,414,179	2,342,813	5
Total Liabilities and Equity	**$ 26,447,453**	$ 25,344,867	$ 25,222,549	5 %

Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended October 31 2017	July 31 2017[1]	October 31 2016[1]	Change from October 31 2016	For the year ended October 31 2017	October 31 2016[1]	Change from October 31 2016
Interest Income							
Loans	**$ 264,575**	$ 250,326	$ 240,114	10 %	**$ 993,950**	$ 928,257	7 %
Securities	**7,326**	5,525	5,929	24	**25,136**	28,703	(12)
Deposits with regulated financial institutions	**1,614**	2,068	2,081	(22)	**8,198**	5,029	63
	273,515	257,919	248,124	10	**1,027,284**	961,989	7
Interest Expense							
Deposits	**95,630**	86,557	90,855	5	**355,521**	346,498	3
Debt	**7,391**	7,371	8,144	(9)	**29,373**	30,267	(3)
	103,021	93,928	98,999	4	**384,894**	376,765	2
Net Interest Income	**170,494**	163,991	149,125	14	**642,390**	585,224	10
Non-interest Income							
Credit related	**8,381**	8,538	8,761	(4)	**34,012**	30,598	11
Wealth management services	**4,427**	4,854	4,235	5	**19,073**	16,394	16
Trust services	**2,521**	2,819	2,964	(15)	**11,305**	11,522	(2)
Retail services	**2,754**	2,564	2,641	4	**10,758**	11,244	(4)
Gains (losses) on securities, net	**9**	46	52	(83)	**664**	(2,830)	nm
Other	**6,536**	1,031	474	nm	**8,433**	5,744	47
	24,628	19,852	19,127	29	**84,245**	72,672	16
Total Revenue	**195,122**	183,843	168,252	16	**726,635**	657,896	10
Provision for Credit Losses	**11,411**	11,424	13,110	(13)	**50,986**	79,115	(36)
Acquisition-related Fair Value Changes	**4,710**	4,577	3,917	20	**18,295**	7,857	133
Non-interest Expenses							
Salaries and employee benefits	**57,761**	54,209	52,278	10	**220,416**	204,903	8
Premises and equipment	**16,634**	14,619	14,273	17	**60,348**	52,539	15
Other expenses	**18,734**	16,555	14,578	29	**64,702**	56,205	15
	93,129	85,383	81,129	15	**345,466**	313,647	10
Net Income before Income Taxes	**85,872**	82,459	70,096	23	**311,888**	257,277	21
Income Taxes	**21,227**	22,302	18,435	15	**82,233**	67,943	21
Net Income	**64,645**	60,157	51,661	25	**229,655**	189,334	21
Net income attributable to non-controlling interests	**250**	286	265	(6)	**1,128**	961	17
Shareholders' Net Income	**64,395**	59,871	51,396	25	**228,527**	188,373	21
Preferred share dividends	**3,562**	3,563	3,562	-	**14,250**	10,612	34
Common Shareholders' Net Income	**$ 60,833**	$ 56,308	$ 47,834	27 %	**$ 214,277**	$ 177,761	21 %
Average number of common shares (in thousands)	**88,409**	88,321	88,073	- %	**88,297**	83,411	6 %
Average number of diluted common shares (in thousands)	**88,783**	88,355	88,073	1	**88,592**	83,419	6
Earnings Per Common Share							
Basic	**$ 0.69**	$ 0.64	$ 0.54	28 %	**$ 2.43**	$ 2.13	14 %
Diluted	**0.68**	0.64	0.54	26	**2.42**	2.13	14

(1) During the fourth quarter of 2017, certain fee income was reclassified from retail services to wealth management services within Non-interest Income. Comparative figures have been restated to conform with current period presentation.

nm – not meaningful

Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended **October 31 2017**	October 31 2016	For the year ended **October 31 2017**	October 31 2016
Net Income	**$ 64,645**	$ 51,661	**$ 229,655**	$ 189,334
Other Comprehensive Income (Loss), net of tax				
Available-for-sale securities:				
Gains from change in fair value[(1)]	**7,017**	5,885	**4,021**	20,799
Reclassification to net income[(2)]	**(6)**	(38)	**(485)**	2,158
	7,011	5,847	**3,536**	22,957
Derivatives designated as cash flow hedges:				
Gains (losses) from change in fair value[(3)]	**3,594**	(275)	**(22,089)**	(8,157)
Reclassification to net income[(4)]	**(2,575)**	(21)	**(3,321)**	113
	1,019	(296)	**(25,410)**	(8,044)
	8,030	5,551	**(21,874)**	14,913
Comprehensive Income for the Period	**$ 72,675**	$ 57,212	**$ 207,781**	$ 204,247
Comprehensive income for the period attributable to:				
Shareholders of CWB	**$ 72,425**	$ 56,947	**$ 206,653**	$ 203,286
Non-controlling interests	**250**	265	**1,128**	961
Comprehensive Income for the Period	**$ 72,675**	$ 57,212	**$ 207,781**	$ 204,247

(1) Net of income tax of $2,570 and $1,463 for the quarter and year ended October 31, 2017, respectively (2016 - $2,155 and $7,699).
(2) Net of income tax of $3 and $179 for the quarter and year ended October 31, 2017, respectively (2016 - $14 and $796).
(3) Net of income tax of $1,322 and $8,128 for the quarter and year ended October 31, 2017, respectively (2016 - $101 and $3,002).
(4) Net of income tax of $947 and $1,222 for the quarter and year ended October 31, 2017, respectively (2016 - $8 and $42).

Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)	For the year ended **October 31 2017**	October 31 2016
Retained Earnings		
Balance at beginning of year	**$ 1,354,966**	$ 1,261,678
Shareholders' net income	**228,527**	188,373
Dividends – Preferred shares	**(14,250)**	(10,612)
– Common shares	**(82,107)**	(76,424)
Share premium on equity issued to non-controlling interests	**1,498**	-
Issuance costs on common and preferred shares	**-**	(8,049)
Balance at end of year	**1,488,634**	1,354,966
Other Reserves		
Balance at beginning of year	**(27,579)**	(42,492)
Changes in available-for-sale securities	**3,536**	22,957
Changes in derivatives designated as cash flow hedges	**(25,410)**	(8,044)
Balance at end of year	**(49,453)**	(27,579)
Preferred Shares		
Balance at beginning of year	**265,000**	125,000
Issued	**-**	140,000
Balance at end of year	**265,000**	265,000
Common Shares		
Balance at beginning of year	**718,377**	537,511
Issued under dividend reinvestment plan	**5,280**	4,491
Transferred from share-based payment reserve on the exercise or exchange of options	**8,228**	706
Issued to public	**-**	150,063
Issued on acquisition of subsidiary	**-**	25,606
Balance at end of year	**731,885**	718,377
Share-based Payment Reserve		
Balance at beginning of year	**31,276**	29,210
Amortization of fair value of options	**1,931**	2,772
Transferred to common shares on the exercise or exchange of options	**(8,228)**	(706)
Balance at end of year	**24,979**	31,276
Total Shareholders' Equity	**2,461,045**	2,342,040
Non-Controlling Interests		
Balance at beginning of year	**773**	992
Increase in equity attributable to non-controlling interests	**1,683**	-
Net income attributable to non-controlling interests	**1,128**	961
Dividends to non-controlling interests	**(670)**	(1,033)
Partial ownership increase	**(117)**	(147)
Balance at end of year	**2,797**	773
Total Equity	**$ 2,463,842**	$ 2,342,813

Consolidated Statements of Cash Flow

(unaudited) ($ thousands)	For the year ended **October 31 2017**	 October 31 2016
Cash Flows from Operating Activities		
Net income	**$ 229,655**	$ 189,334
Adjustments to determine net cash flows:		
Provision for credit losses	**50,986**	79,115
Depreciation and amortization	**30,692**	24,581
Current income taxes receivable and payable	**12,134**	(17,424)
Amortization of fair value of employee stock options	**1,931**	2,772
Accrued interest receivable and payable, net	**(19,061)**	7,705
Deferred income taxes, net	**(10,638)**	(3,045)
(Gains) losses on securities, net	**(664)**	2,830
Acquisition-related fair value changes	**18,295**	7,857
Net gain on Trust Services strategic transaction	**(5,726)**	-
Change in operating assets and liabilities:		
Deposits, net	**708,429**	1,829,146
Loans, net	**(1,322,714)**	(2,218,973)
Securities purchased under resale agreements, net	**58,358**	-
Securities purchased under resale agreements, net	**163,318**	(163,318)
Other items, net	**46,543**	29,242
	(38,462)	(230,178)
Cash Flows from Financing Activities		
Debt securities issued	**739,177**	734,376
Debt securities repaid	**(456,039)**	(353,801)
Debentures redeemed	**(75,000)**	(300,000)
Dividends	**(91,077)**	(82,545)
Distributions to non-controlling interests	**(670)**	(1,033)
Sale of non-controlling interest	**3,401**	-
Common shares issued, net of issuance costs	**-**	145,176
Preferred shares issued, net of issuance costs	**-**	136,838
	119,792	279,011
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	**386,621**	(477,748)
Securities, purchased	**(5,843,898)**	(10,760,756)
Securities, sale proceeds	**4,338,132**	8,638,234
Securities, matured	**1,031,966**	2,990,500
Property, equipment and intangibles	**(28,846)**	(38,507)
Partial ownership increase	**(1,838)**	(4,572)
Contingent consideration payment	**(10,132)**	-
Proceeds from strategic transaction	**7,164**	-
Acquisitions	**-**	(364,523)
	(120,831)	(17,372)
Change in Cash and Cash Equivalents	**(39,501)**	31,461
Cash and Cash Equivalents at Beginning of Year	**1,857**	(29,604)
Cash and Cash Equivalents at End of Year *	**$ (37,644)**	$ 1,857
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 17,491**	$ 11,490
Cheques and other items in transit (included in Cash Resources)	**410**	18,050
Cheques and other items in transit (included in Other Liabilities)	**(55,545)**	(27,683)
Cash and Cash Equivalents at End of Year	**$ (37,644)**	$ 1,857
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 1,031,937**	$ 975,727
Interest paid	**392,413**	366,737
Income taxes paid	**66,009**	88,674