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THIRD QUARTER RESULTS CONFERENCE CALL
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OPERATOR: Good afternoon, ladies and gentlemen. Thank you for standing by. Welcome to the Canadian Western Bank Third Quarter Results Conference Call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. If anyone has any difficulties hearing the conference, please press star, followed by zero for operator assistance at any time. I would like to remind everyone that this conference call is being recorded on Thursday, September 6th, 2007, at 3:30 p.m. Eastern time.

I will now turn the conference over to Miss Tracey Ball, Chief Financial Officer. Please go ahead.

TRACEY BALL (Chief Financial Officer, Canadian Western Bank): Thanks, Yvonne, and good afternoon, and welcome to the 2007 third quarter results conference call for Canadian Western Bank.

Before we begin, I want to quickly note a few items in addition to what Yvonne mentioned.

This presentation is being broadcast via the Internet as well as via conference call. The conference call graphs are available in PDF format on our website at cwbankgroup.com under "Webcast Events" in the Investor Relations section, and our quarterly press release and

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supplemental financial information are also available in the Investor Relations section, under "Financial Reports."

I'd also like to draw your attention to our forward-looking statement advisory on Slide 14.

The agenda for today's call is on Slide 2. Joining me for the presentation is Larry Pollock, President and Chief Executive Officer. Also in attendance are Bill Addington, Executive Vice President, whose responsibilities include credit risk management; Brian Young, President and Chief Executive Officer of Canadian Direct Insurance, and Executive Vice President of Canadian Western Bank, whose responsibilities include our insurance and trust operations; Randy Garvey, Executive Vice President, whose responsibilities include Treasury and Systems; and Chris Fowler, Senior Vice President of Credit Risk Management.

I would now like to direct your attention to Slide 3, and ask Larry to begin our presentation with an overview of our third quarter results.

LARRY POLLOCK (President and Chief Executive Officer, Canadian Western Bank): Thank you Tracey. We are very pleased to report record earnings and revenues for our 77th consecutive profitable quarter. Both of our segments continued to perform very well. Net income from Banking and Trust operations was up 38% over the same time last year. Earnings were driven by excellent organic loan growth of 8% in the quarter and 30%

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over the past year. Canadian Direct Insurance reported third quarter net income of 2.2 million or 16% increase over 2006. We are surpassing all of our annual performance targets through the first nine months and expect to close out the year well ahead of our initial expectations.

Western Canada's economic strength continues to drive a solid flow of new deals. The Bank's expanding market presence is also contributing to our success. There has been some softening in the forestry and natural gas markets, but we don't believe this will have any material impact on our overall portfolio quality. Credit quality continues to be excellent and maintaining our strong credit discipline will remain a top priority. Recent events in the financial markets have had an insignificant impact on our operations. We do not hold any troubled non-bank sponsored asset backed commercial paper, and have no exposure to US subprime lending. We have never securitized our assets, nor are we in the securities business. Our funding sources come primarily from deposits raised through our branches and deposit broker network. At CWB, it's business as usual. Barring the possibility of material economic repercussions in our markets, I believe these events may actually provide some opportunities for our bank.

Today our Board of Directors declared a quarterly dividend of \$0.09 per share. This dividend is unchanged from the previous quarter and is

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29% higher than the same quarter last year. We continue to target at 20 to 25% payout ratio and will review our dividends each quarter. At July 31st, our one year total return to shareholders including reinvested dividends is 24%.

I'll now turn things over to Tracey, who will discuss our financial performance in more detail, beginning with slide four.

TRACEY BALL: Thank you Larry.

Third quarter net income was 24 million, up 36% over the same quarter last year, and diluted earnings per share were up 32%. Results reflect record earnings from Banking and Trust operations, driven by excellent loan growth, strong other income and a lower effective tax rate. Canadian Direct Insurance also recorded solid results.

Total revenues on a taxable equivalent basis were a record 70.7 million, an increase of 24%.

Return on equity of 17.1% is 290 basis points better than the third quarter last year, while return on assets was 1.14%, improved from 1.06% a year earlier. Net income was up 8% over the previous quarter, reflecting a 7% growth in average interest earning assets and three more revenue earning days.

Slide 5 shows our financial highlights through the first nine months.

These include:

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- Net income of 66.7 million, up 31% over the prior year period
- Diluted earnings per share of \$1.04, up 30%
- Total revenues of 199.1 million, a 23% increase, and reflecting our strong growth in both net interest income and non-interest income
- Return on equity of 16.5%, 230 basis points better than last year and
- An ROA of 1.13%, a four basis point improvement.

The next few slides provide an overview of the highlights for our Banking and Trust operations, beginning with Slide 6.

Net income of 21.8 million was up 38% over the same quarter last year, on 26% growth in total revenues and a lower effective tax rate. Compared to the second quarter, net income increased 12% due to 8% quarterly loan growth and three additional days, partially offset by a lower net interest margin.

Total revenues were up 7% over the previous quarter.

Net interest income increased 27% year-over-year, reflecting 30% loan growth. Compared to the second quarter, net interest income was up 8% due to the reasons already noted.

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Non-interest income increased 18% over last year, driven by strong increases in credit, trust services and retail fee income. Compared to the previous quarter, non-interest income was up 5%.

Slide 7 shows total loan growth of 8% in the quarter and 30% over the past year. Loan growth reflects very strong increases in both Alberta and BC. Each (inaudible) continues to perform well and all have achieved very strong double-digit loan growth since our 2006 year-end.

Credit quality remained excellent, and the quarterly provision for credit losses was unchanged at 2.6 million. Measured as a percentage of average loans, the provision was 15 basis points, compared to 16 basis points last quarter and 19 basis points a year ago; this decrease reflecting our strong loan growth.

Second quarter net interest margin was unchanged from one year ago at 2.58%. The margin was down seven basis points from the previous quarter, largely resulting from higher interest expense in (inaudible) levels related to the issue of subordinated debentures in March 2007.

Slide 8 details the progress we have made in generating additional deposits through our branch network and Canadian Western Trust.

Total branch generated deposits increased 11% in the quarter, and 29% in the past year, keeping pace with our excellent loan growth. Branch generated deposits, as a percentage of total deposits, was 67%, an

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increase of 100 basis points over a year ago. A portion of this branch deposit growth includes larger commercial and wholesale balances that can be subject to greater fluctuations. Within branch deposits, the demand-and-notice component was up 8 percent in the quarter, and 33 percent in the past year. These deposits, which typically represent our lowest-cost form of funding, comprised 27 percent of total deposits, consistent with the previous quarter, and up from 26% a year earlier. Subsequent to quarter end, the Bank received affirmation from taxation authorities of certain prior trade transactions that will result in the fourth quarter recognition of a \$3.5 million income tax reduction and an associated non-interest expense of 600,000 after tax. This net 2.9 million benefit represents approximately \$0.04 of diluted earnings per share.

Slide 9 shows the financial highlights for our Insurance segment.

Canadian Direct recorded earnings of 2.2 million, 13% higher than last year. Net income benefited from 13% growth in net earned premiums, and an increase of 500,000 in investment income, largely offset by higher claims experience. Increased net earned premiums reflect the elimination of quarter share reinsurance in November 2006, and a higher policy count.

Policy sales and average premiums in the BC auto product continue to be negatively impacted by the pricing strategy of the insurance

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corporation of British Columbia. Policy growth and customer retention and other lines of business remain solid. The combined ratio for the quarter of 92% was unchanged from the same time last year.

Net income was down approximately 400,000 from the previous quarter due to increased claims resulting from less favourable weather and a before tax loss attributed to the Alberta auto risk sharing pools, partially offset by policy growth and three additional premium earning days.

Slide 10 details our performance targets for 2007, along with our performance to date.

As you can see through the nine months, we are well ahead of all of our annual targets.

I will now turn things back to Larry, who will provide comments on outlook and strategy, beginning on Slide 11.

LARRY POLLOCK: Thanks Tracey.

Our outlook for the foreseeable future is very positive. Economic conditions in our target markets remain strong and we continue to see a solid flow of new deals from both new and existing clients. Western Canada's economy should continue to out perform the rest of the country, although we expect our loan growth could level off to more sustainable double-digit levels in the near future. In terms of credit quality, our experience continues to be excellent. Impaired loans remain at low levels

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and we currently have over four times coverage with total reserves. Our conservative credit practices have us well positioned to manage a future turn in the credit cycle should one occur. Trust services remain an important part of our overall strategy. In addition to providing earnings growth and diversification, our success in growing these businesses is a very efficient use of the Bank's capital. We expect continued strong performance from both Canada Western Trust and Valiant Trust.

Moving to slide 12, our outlook for Canadian Direct Insurance remains positive. As Tracey mentioned earlier, the insurance segment posted solid quarterly results and we are optimistic about opportunities to grow this business. Overall, we are achieving good policy growth despite ongoing challenges in the BC auto product line. New sales in our home product lines and Alberta auto continue to perform very well and we are seeing good customer retention in each of these areas. Ongoing enhancements to our Internet service platform will continue to improve Canadian Direct's distribution capabilities. This will not only increase efficiencies, it will allow us to better leverage our underwriting strength which we view as a key source for future growth within this segment. Overall, we expect moderate growth in both policies outstanding and net earned premiums through the foreseeable future.

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Slide 13, the next slide summarizes Canadian Western Bank's current strategic priorities. As I mentioned earlier, recent market events have had an insignificant impact on our operations and our strategic focus is unchanged. Our efforts will remain centred on people, infrastructure, process and business enhancement as we continue to expand within our markets. In support of our infrastructure focus, we confirm plans this quarter to open a new branch in Medicine Hat, Alberta. This will represent our 35th branch and we expect it will be open for business before the end of '07. We also have at least three full service branches planned for 2008. While CWB's operations are susceptible to certain macro economic events, I don't foresee recent market developments having a material impact on Western Canada's economic strength. Although the potential for more widespread repercussions must be considered, as it currently stands, I believe these events may present opportunities for us.

I expect to see reduced competition in some areas of our markets. Lenders may now forego some of the under-priced, underwriting models we've seen in the past. I'd also expect some competitors will abandon certain markets altogether. This circumstance should not only have a positive impact on credit spreads, it should allow us the opportunity to acquire some high quality accounts. Great customers sometimes get caught in the middle of these things, and they're often the ones who most

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appreciate our relationship based banking strategy. With recently limited capacity to roll short term paper as a funding source, some companies that have relied on this model are going to face challenges supporting their existing assets, let alone funding new growth. As a result, there may be increased opportunities to acquire high quality assets at reasonable prices that weren't previously available.

We will remain ready to capitalize on any accretive growth opportunities that make sense for us. A recent increase in liquidity and a strong capital base puts us in a strong position should we find the right opportunities. We have made excellent strides in improving the Bank's ROE over the past two years and expect further progress. Greater income diversification by generating more revenue from non-interest sources also remain a priority. Despite the recent uncertainty in financial markets, our economic environment remains strong and we are well positioned to increase market share across all of our business lines. Our dedicated staff and disciplined business plan have also, also have us structured for sustained success. With this enviable combination, I am confident we will continue our long history of strong financial performance.

I'll now turn things back to Tracey.

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TRACEY BALL: Thank you Larry, and that concludes our formal presentation for today's call. At this time I'll ask Yvonne to begin the question-and-answer period.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question-and-answer session. If you have a question, please queue up now. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys.

Your first question comes from John Aiken of Dundee Securities. Please go ahead.

JOHN AIKEN: Good afternoon. I know this question is probably going to be a little ironic since I'm one of the guys pushing for an improvement on the ROE, but if you take a look at your tier one intangible capital ratios, over the last four quarters we've seen a hundred basis point decline. Now, I'm not worried, I'm not panicking, but if this trend were to continue because as we've seen very strong loan growth has resulted in strong growth in risk equated assets but is, what can you do to solve this given the fact that equity has only been growing by, call it, 3% per quarter versus risk equated asset growth of upwards of 9%?

LARRY POLLOCK: John, I don't think we're using all of our innovative tier one that we had raised, so that will be adding through our

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capital as we go and we're also not using all of our subordinated debt because we raised more than we could use at the time, so we have some capital there that we can still use, and 9% with the low leverage that we have in tier one is still quite acceptable in our minds, so there's lots of room to grow. We also have to factor in the rapidly increasing earnings that we have. That all goes into capital as well other than the dividends, and our payout ratio is still relatively low compared to our competitors. I don't know whether that helps you, John.

JOHN AIKEN: No, no, that does, Larry. Thank you. And just one follow-up question. Larry, can you give us some colour around the gross impaired loan formations that were caused by this industrial this quarter, did that relate to one loan or do we have a group of loans coming up in a particular sector?

LARRY POLLOCK: Yes, I think it was primarily just two loans, and there has been some softness in the forestry sector, primarily in Alberta and Saskatchewan, more so than BC because we've got the pine (inaudible) issue there, so there's lots of forest to be harvested in BC, and there's been some softness in the drilling side. Gas prices, as you know have been very low and at these levels I don't believe you'll see much activity even going into this winter in the drilling for shallow gas in Alberta, so we'll have to see a bounce in prices before we see gas pick up again.

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What is looming though on the horizon is upgrader construction is just starting to go into the planning and development stages in Northern Alberta and these upgraders will be many billions of dollars. In fact the first one completed just recently by Esso, I believe, is about, was very small. It was just kind of a bolt on was 300 million. There'll be many thousands of workers needed for this so we see that looming as an enhancement to our ongoing GDP growth here as well as there's been a lot of government construction that has not been done over the years because of the stress it would have put on the private sector, and I think if it does tow (sp?) down the governments will step up and do a lot of this roadwork and other construction projects that have been lagging.

JOHN AIKEN: That's great. Thanks for the call, Larry.

LARRY POLLOCK: Okay.

OPERATOR: Your next question comes from Michael Goldberg of Desjardins Securities. Please go ahead.

MICHAEL GOLDBERG: Thanks. I wonder if we could get an update on optimum mortgage, the amount of loans outstanding at quarter end and have you seen any portfolios being offered to you, just if they're available.

LARRY POLLOCK: I'll answer the second question first, and then I'll turn it over to Bill Addington. I believe he has the numbers, Michael. As of

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yet, we have not had a portfolio offered to us but we would expect that there would be some coming along in the next while, so you may know better than I would, but we are in quite a liquid position and as you know have the capital and with, that will too, coming onstream in November of, well, November this year. We'll then require less capital to carry the mortgages, so that's an enhancement as well. But I'll turn it over to Bill to answer the first question.

BILL ADDINGTON (Executive Vice President, Canadian Western Bank): Yes, Michael. At July 31st we had \$356 million in that optimum portfolio. That's 1569 borrowers. That's up from April 30th's when we had outstandings of 311 million and at year-end 2006 October, we had 262 million, so it's grown \$94-\$95 million (inaudible).

MICHAEL GOLDBERG: Okay, and one of the questions, following up on the loan quality that you were asked previously, you mentioned that there were two loans that flipped into non-performing this quarter, did they account for the roughly 4.5 million in total of formations during the quarter? And were they in forestry?

LARRY POLLOCK: Chris Fowler will answer that question, Michael.

CHRIS FOWLER (Senior Vice President of Credit Risk Management, Canadian Western Bank): Yes, \$4 million is two of the loans

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and part of the increase is also due to other optimum mortgage accounts (inaudible) that area as well.

MICHAEL GOLDBERG: Pardon me?

CHRIS FOWLER: \$4 million is two of the loans and the balance is due to optimum mortgage increases into our gross impaired loans.

LARRY POLLOCK: Did you get that, Michael? Did we lose you?

MICHAEL GOLDBERG: I'm here. Were the two loans forestry loans as you had mentioned?

CHRIS FOWLER: Yes, the two loans were forestry loans.

MICHAEL GOLDBERG: Kind of remind us on the optimum mortgage, what your loan to value is on those mortgages?

LARRY POLLOCK: I don't think it's (inaudible), Michael. I don't have the specific sheet in front of me, but I think the loan to value is roughly around 70% on an average weighted basis.

TRACEY BALL: Our loan size is about 229,000, I think, right now, on our loan size.

LARRY POLLOCK: That's right.

MICHAEL GOLDBERG: So, on the ones that went into arrears this quarter could we conclude that you feel highly confident of full recoveries?

LARRY POLLOCK: Yes, we're very comfortable with the security value. Of course as you well know when you go into foreclosure there's

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always a time lag and we had one \$500,000 loan of non-performing or it's not 90 days in arrears but we classify it as non-performing this quarter so we're comfortable. We haven't had any material losses to-date in that portfolio and so we don't foresee any.

MICHAEL GOLDBERG: Thanks a lot.

OPERATOR: Ladies and gentlemen, if there any additional questions at this time, please queue up now. As a reminder, if you are using a speaker phone, please lift the handset before pressing the keys.

Your next question comes from Sumit Malhotra of Merrill Lynch. Please go ahead.

SUMIT MALHOTRA: Good afternoon.

LARRY POLLOCK: Hi.

TRACEY BALL: Hi, Sumit.

SUMIT MALHOTRA: A question about commercial mortgages, to start. It's a negative area of growth for the bank and we've heard a lot of good things on the residential mortgage side still in Canada, but I wanted to see how you were feeling about commercial mortgages and where the trend in that business is going in Western Canada?

LARRY POLLOCK: Well, I think as a percentage of our total portfolio, commercial mortgages have actually dropped down a little bit about 3 or 4 percentage points since a year ago or maybe even a couple

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of quarters ago. We experienced a lot of competition. We do a lot of construction lending as you know, but we experience a lot of competition from pension funds and other sort of non-traditional lenders in that area and with Litecos (sp?). I don't know whether we'll see any of them backing off from that market, but that's a market that if we can generate decent spreads we would like to be very active in.

SUMIT MALHOTRA: So in terms of your customers themselves, the market itself hasn't necessarily slowed. Maybe your percentage of it has been a little bit less and that sounds like it, am I right to take away from that that it's been more voluntary on your part because of pricing rather than actual activity levels have slowed?

LARRY POLLOCK: Oh absolutely. There's very fine pricing in that market and we haven't had any credit quality concerns at all. None.

SUMIT MALHOTRA: Okay. Jumping back to the risk weighted for a second then, I know you showed us last September that there's a, if you have to go to market and get tier one capital that's now a stream that seems to be available to you, looking at your WA growth it does seem bigger this quarter and that goes along with the loans but is that just a function of the fact that maybe optimum is starting to slow a little bit in your core business of commercial lending which has the higher risk weight is

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now becoming a larger proportion of the total growth again, is that the right way to look at it?

LARRY POLLOCK: Well optimum sits around at 5% of our total book so it's not that material, although it is very profitable. Our core business tends to be the commercial sector. It always has been and we tend to try to make hay when the sun shines because there has been lots of business out there. We will take the business when we can. A lot of that business that we've put on the book are construction loans and they do come back at you. They get paid out in relatively short periods of time, two years or less usually. So it's like a hamster on a wheel, you're always having to generate more loans just to stay where you are, but certainly we've had unbelievably strong growth in what we consider a very strong market, so we're going to put the assets on when we can and that's the start of a relationship in banking. You put the assets on and then you earn your profits over the next period of time. So we've been piling the assets on and we expect the earnings to be there as time marches on.

SUMIT MALHOTRA: And then you commented on how Basil 2 is going to positively impact your mortgage book from a capital perspective, is there any view or early insight you can offer us on how it may impact your core business on the commercial side?

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LARRY POLLOCK: Well there's one area I believe, the industrial finance area, that is 19 or 20% of our book and the capital requirement for that business drops to I believe 35.

TRACEY BALL: 75.

LARRY POLLOCK: 75% from 100%, so...

TRACEY BALL: It's considered retail because of the size of the average borrower. The overall effect under Basil 2 will be probably slightly positive for us, but we don't have any specific numbers we can give you today.

SUMIT MALHOTRA: Okay. Last one for me, alternative lending has been an area or alternative mortgage lending has been an area that's obviously been successful for you for optimum and a lot of the questions you've gotten over the last year have been related to acquisitions in this space. Some of the bigger names in Canada have obviously been impacted by the ABCP situation and just the fallout of the fact that securitization may not be as available a stream as it has been in the past and you quite correctly pointed out in your press release you've never used securitization, your deposits are branch or broker generated, so not a big deal for you, but when you talk about acquisitions is that really what you're starting to think about that some participants that are extremely reliant on

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external sources of financing are no longer going to be able to profitability function, is that the area that stands out to you the most right now?

LARRY POLLOCK: Yes, there'll be some of that for sure. Some of them are kind of hybrids where they do securitization and carry some of their own assets, so we're watching that market very carefully. We came to the conclusion though three years ago that rather than try to make acquisitions in this market we would be better off just building it ourselves. We have the infrastructure anyway, systems and everything are more or less in place, so we will continue to build it. What we likely will see is less competition in that space. There'll be some of those people you just described that won't be here. In fact a few of them have already stated their intention to withdraw from the market and I think a lot of the American players that were just setting up shop in Canada will be gone. So there'll be more for the rest of us that have the ability to hold our breath longer.

SUMIT MALHOTRA: Okay, thanks guys.

OPERATOR: Your next question comes from Amanda Mason of TD Newcrest. Please go ahead.

AMANDA MASON: Hello?

LARRY POLLOCK: Hi, Amanda.

AMANDA MASON: Hi. I just wanted to follow on some of the questions. If you get the opportunity to buy some portfolios of subprime

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type mortgages, would you be prepared to increase your loan to value ratio because I understand most of the competitors that have withdrawn are more high loan to value ratio players.

LARRY POLLOCK: We like quality and we like good spreads and if they fell into that category then we would be interested. We also have a geographic preference, being in Western Canada of course. I don't, I know we would not take the high ratio but the bank act just recently changed, as you probably know, Amanda, to 80%. So we would have the ability to go to 80. We haven't done that as of yet, so we think that we can continue to generate good volumes and good quality paper at the 75% or less area and just continue to generate it organically but if an opportunity came along, yes, we would be interested in looking at it.

AMANDA MASON: And do you think you could insure, you would consider digging on above 80, if you insured it?

LARRY POLLOCK: We'd have to explore that. We haven't insured any pools yet, but we certainly could as long as there was enough pricing in it to be able to do that.

AMANDA MASON: And if I may, just another question. In terms of your insurance, and you mentioned you had some opportunities in the Internet platform, and I wondered if you could maybe elaborate on that slightly?

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LARRY POLLOCK: I'll let Brian Young answer this one, Amanda.

BRIAN YOUNG (President and Chief Executive Officer of Canadian Direct Insurance, and Executive Vice President of Canadian Western Bank): Sure, Amanda. What we've been doing over the last year is investing in developing our Internet platform, particularly, and we did it in phases. Our first phase was a front end sale space that allows people to come in and purchase auto insurance over the Net, but we were still using our basic operations to fulfill that sale, so that means issuing the policy in terms, and servicing the policy, but we've now added on just at the end of our third quarter is the ability to fulfill that, so you can now purchase your policy over the Net and have your policy delivered right to you at your desktop. And the next phase after that is to implement a servicing module which we expect to do sometime before the end of 2008, so we're continuing to invest in it, develop it and we're the only provider right now that can fulfill the sales of auto insurance over the Net in Western Canada, and deliver policies.

AMANDA MASON: So that is also approved by the, your computer model?

BRIAN YOUNG: That's correct.

AMANDA MASON: Okay, thank you very much.

LARRY POLLOCK: Thank you.

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OPERATOR: Your next question comes from Charles Kime of American Century Investments. Please go ahead.

CHARLES KIME: Hey guys, congratulations on the quarter.

LARRY POLLOCK: Thanks, Charles.

TRACEY BALL: Thank you.

CHARLES KIME: Just a quick question on your provisioning. Is there any chance at all that you would consider writing back some of your provisions just given your loan book continues to be fairly high quality?

LARRY POLLOCK: No. There's really no reason to do that because we're able to use our general reserve as capital now, and to bring it back in, none of the analysts are going to give us any credit for it, so we just soon keep the reserves nice and high where they are, and the reason we keep piling the reserves in is because our portfolio continues to grow, so our reserve coverage is very high at four times gross NPLs but our coverage based on our risk weighted assets still hovers around 80 to 85% in that range. So as long as our portfolio continues to grow, what you more likely would see if we really slowed down here and went into much slower economic period is we would, we could slow how much reserve we actually put up as long as we weren't experiencing higher formations of NPLs.

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CHARLES KIME: Okay, thanks. Can I just follow-up with just one other question? Can you talk a little bit about when you look at your loan growth sequentially year-on-year, how is that broken out if we look at it, say, Saskatchewan, Manitoba, Alberta and then British Columbia, has there been any change in the trends you've seen in terms of new formation?

LARRY POLLOCK: We've come up I think 1% in British Columbia to around 40% from 39, and the rest is more or less the same with maybe our margin will decrease in Saskatchewan, Manitoba. We haven't really looked at opening new branches in those two provinces, Manitoba and Saskatchewan because of the extremely high capital tax rates, so until that changes we won't be expanding materially in those markets.

CHARLES KIME: Okay, well thanks again.

LARRY POLLOCK: Okay.

OPERATOR: Your next question is a follow-up question from Michael Goldberg of Desjardins Securities. Please go ahead.

MICHAEL GOLDBERG: Thanks. Yes, I do want to follow-up on optimum mortgage. You mentioned that you would be interested in portfolios but Western Canada's your preferred market, if you were offered a portfolio outside of Western Canada, would that be of interest to you?

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LARRY POLLOCK: It possibly would be. It would be dependent on how we could service it and what market it was in. You know if it was in some of the more rural areas we might not be interested in, if it was in, you know, London, Ontario or parts of Toronto, Oakville, some of those areas, we might be interested in.

MICHAEL GOLDBERG: So just on top of that, could you see expanding optimum's area of operations just on a normal basis, you know, outside of the Western Canada markets?

LARRY POLLOCK: Yes. Yes, we could. I mean buying a portfolio might be a compelling reason to do that and give us scale and profitability right away.

MICHAEL GOLDBERG: So I take it that would mean opening up an office to service that business if you were to do something like that?

LARRY POLLOCK: Yes. Yes, we could consider that.

UNIDENTIFIED SPEAKER: We have a small trust office now in Burlington.

MICHAEL GOLDBERG: Okay, thanks a lot, Larry.

LARRY POLLOCK: Okay.

OPERATOR: We have no further questions at this time. Please continue.

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TRACEY BALL: Thanks very much everybody. This concludes our conference call, and thank you very much for your continued interest in our story, the Canadian Western Bank. We look forward to reporting to you on our fourth quarter and fiscal 2007 results on December (inaudible). If anybody has any follow-up questions or comments, please call us or contact us by email. Thank you and have a good day.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. Please disconnect your lines.

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