



Pacific & Western

Credit Corp.

Supplemental Financial Information

**For the quarter ended January 31, 2008
(unaudited)**

Page

- | | |
|---|--|
| 1 | Highlights |
| 2 | Net Income |
| 3 | Net Interest Income, Other Income and Total Revenues |
| 4 | Non-Interest Expenses |
| 5 | Balance Sheet |
| 6 | Impaired Loans and Allowance for Credit Losses |

Use of this Report

This financial information is supplementary to the Corporation's First Quarter Press Release and its 2007 audited financial statements and should be read in conjunction with those documents.

This report is unaudited and all amounts are in thousands of Canadian dollars, unless indicated otherwise.

HIGHLIGHTS
(unaudited)
(\$ thousands)

Page 1

	QUARTER					YEAR ENDED			
	2008	2007							
	Q1	Q4	Q3	Q2	Q1	2007	2006	2005	2004
Results of Operations (teb) *									
Total interest income	\$ 21,209	\$ 19,510	\$ 17,537	\$ 18,029	\$ 18,607	\$ 73,683	\$ 66,988	\$ 55,727	\$ 54,572
Net interest income	5,044	4,492	3,780	4,534	4,906	17,712	19,222	16,019	15,548
Provision (recovery) for credit losses	8	198	142	72	429	841	787	(61)	(471)
Other income (charges)	(86)	114	260	294	959	1,626	16,162	8,869	281
Total revenue	4,950	4,408	3,898	4,756	5,436	18,497	34,597	24,949	16,300
Non-interest expenses	3,781	3,049	3,643	3,548	3,658	13,897	12,855	12,423	8,652
Net income before provision for income taxes	1,169	1,359	255	1,208	1,778	4,600	21,742	12,526	7,648
Provision for income taxes	633	721	128	864	687	2,400	5,110	4,734	2,447
Net income	536	638	127	344	1,091	2,200	16,986	7,016	5,201
Per Common Share (\$'s)									
Basic earnings per share	0.03	0.04	0.01	0.02	0.08	0.14	1.25	0.51	0.38
Diluted earnings per share	0.03	0.04	0.00	0.02	0.07	0.14	1.22	0.50	0.37
Book value/share	3.54	3.91	4.18	4.43	4.55	3.91	5.00	3.71	3.20
Closing market price (common share)	7.70	7.75	8.00	9.01	12.00	7.75	11.81	10.00	7.85
Weighted average number of common shares	13,649	13,739	13,757	13,730	13,471	13,674	13,343	13,249	13,206
Number of common shares outstanding at period end	13,605	13,686	13,754	13,757	13,520	13,686	13,422	13,308	13,227
Total market value of common shares	104,759	106,067	110,032	123,951	162,240	106,067	158,514	133,080	103,832
Financial Ratios									
Net interest income teb (%)	1.36%	1.33%	1.20%	1.36%	1.45%	1.27%	1.56%	1.49%	1.76%
Return on average common equity	3.71%	4.13%	0.45%	1.91%	6.36%	3.25%	28.75%	14.79%	12.48%
Return on average assets	0.14%	0.19%	0.04%	0.10%	0.32%	0.16%	1.38%	0.65%	0.59%
Non-interest expenses to average total assets (annualized)	1.02%	0.90%	1.12%	1.07%	1.08%	1.00%	1.04%	1.16%	0.98%
Efficiency ratio	\$ 0.76	\$ 0.66	\$ 0.90	\$ 0.73	\$ 0.62	\$ 0.72	\$ 0.36	\$ 0.50	\$ 0.55
Number of full time equivalent staff at period end	60	57	62	64	65	57	61	48	44
Assets to full time employee**	24,845	25,590	19,767	21,357	20,904	25,590	21,799	23,567	23,082
Financial Position									
Cash and securities	478,175	441,727	266,588	432,535	414,315	441,727	425,418	352,383	327,446
Cash and securities to total assets (%)	32.08%	30.28%	21.75%	31.65%	30.49%	30.32%	31.99%	31.15%	32.24%
Total loans	975,558	977,727	923,385	899,971	895,158	977,727	863,830	749,307	663,637
Mortgages and loans to total assets (%)	65.44%	67.03%	75.34%	65.84%	65.88%	67.03%	64.96%	66.24%	65.35%
Total assets	1,490,682	1,458,656	1,225,583	1,366,834	1,358,729	1,458,656	1,329,729	1,131,227	1,015,588
Average assets	1,474,669	1,342,120	1,296,209	1,362,781	1,344,229	1,394,193	1,230,478	1,073,408	884,828
Deposits	1,363,050	1,282,756	1,116,317	1,155,383	1,174,237	1,282,756	1,210,555	935,758	887,245
Notes payable	40,732	35,660	35,847	35,523	35,466	35,660	36,184	36,186	34,186
Shareholders' equity	51,712	57,054	60,981	64,523	65,087	57,054	70,650	52,923	45,818
Credit Quality									
Gross impaired loans	1,363	1,452	2,616	2,544	2,544	1,452	3,096	362	1,221
Gross impaired loans as a % of total assets	0.09%	0.10%	0.21%	0.19%	0.19%	0.10%	0.23%	0.03%	0.12%
Net impaired loans	(1,851)	(1,754)	(628)	(558)	(451)	(1,754)	530	(1,527)	(502)
Net impaired loans as a % of total loans	-0.19%	-0.18%	-0.07%	-0.06%	-0.05%	-0.18%	0.06%	-0.20%	-0.08%
Capital Adequacy									
Pacific & Western Bank capital ratios									
Tier 1 capital	63,630	61,820	63,701	65,674	64,571	61,820	70,163	56,447	49,188
Tier 2 capital	30,000	30,000	30,000	31,248	33,673	30,000	34,000	28,000	23,500
Total capital	93,630	91,820	93,701	96,922	98,244	91,820	104,163	84,447	72,688
Risk weighted assets	810,767	800,582	752,461	778,717	797,169	800,582	786,005	759,348	675,129
Risk based capital ratio	11.55%	11.47%	12.45%	12.45%	12.32%	11.47%	13.25%	11.12%	10.77%
Tier 1 ratio	7.85%	7.72%	8.47%	8.43%	8.10%	7.72%	8.93%	7.43%	7.29%
Assets to capital ratio	16.26	16.19	13.35	14.32	13.95	16.19	12.96	13.60	14.07

* Taxable Equivalent Basis (teb) Adjustment-an addition to interest income to gross up the tax-exempt income earned on preferred shares to an amount which, had it been taxable at the statutory rate, would result in the same after-tax net income as appears in the financial statements. This results in a better reflection of the pre-tax economic yield of these assets and facilitates uniform measurement and comparison of net interest income.

** excludes operations of Discovery Air Inc.

NET INCOME (teb)
(unaudited)
(\$ thousands)

Page 2

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Interest Income									
Loans	13,958	\$ 14,018	\$ 12,923	\$ 12,779	\$ 13,094	\$ 52,814	\$ 47,171	\$ 40,286	\$ 36,793
Securities	6,324	4,657	4,045	4,636	4,913	18,251	17,559	13,762	16,116
Loan fees	927	835	569	614	600	2,618	2,258	1,679	1,663
Total interest income	21,209	19,510	17,537	18,029	18,607	73,683	66,988	55,727	54,572
Yield %	5.71%	5.77%	5.37%	5.43%	5.49%	5.28%	5.44%	5.19%	6.17%
Interest Expense									
Deposits	15,282	14,132	12,853	12,636	12,831	52,452	44,294	36,289	35,690
Notes	883	886	904	859	870	3,519	3,472	3,419	3,334
Total interest expense	16,165	15,018	13,757	13,495	13,701	55,971	47,766	39,708	39,024
Cost of funds %	4.35%	4.44%	4.22%	4.06%	4.04%	4.01%	3.88%	3.70%	4.41%
Net interest income	5,044	4,492	3,780	4,534	4,906	17,712	19,222	16,019	15,548
Spread %	1.36%	1.33%	1.16%	1.36%	1.45%	1.27%	1.56%	1.49%	1.76%
Provision (recovery) for credit losses	8	198	142	72	429	841	787	(61)	(471)
Other income (charges)	(86)	114	260	294	959	1,626	16,162	8,869	281
Total revenue	4,950	4,408	3,898	4,756	5,436	18,497	34,597	24,949	16,300
Non-interest expenses	3,781	3,049	3,643	3,548	3,658	13,897	12,855	12,423	8,652
Net income before taxes	1,169	1,359	255	1,208	1,778	4,600	21,742	12,526	7,648
Income taxes	633	721	128	864	687	2,400	5,110	4,734	2,447
Non-controlling interest	-	-	-	-	-	-	354	(776)	-
Net income	\$ 536	\$ 638	\$ 127	\$ 344	\$ 1,091	\$ 2,200	\$ 16,986	\$ 7,016	\$ 5,201
Per common share:									
Basic earnings per share	\$ 0.03	\$ 0.04	\$ 0.01	\$ 0.02	\$ 0.08	\$ 0.14	\$ 1.25	\$ 0.51	\$ 0.38
Diluted earnings per share	\$ 0.03	\$ 0.04	\$ -	\$ 0.02	\$ 0.07	\$ 0.14	\$ 1.22	\$ 0.50	\$ 0.37
Common share dividends	\$ -	\$ -	\$ -	\$ -	\$ 10,787	\$ 10,787	\$ -	\$ -	\$ -
Preferred share dividends paid	\$ 240	\$ -	\$ -	\$ -	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240

NET INTEREST INCOME, OTHER INCOME AND TOTAL REVENUES (teb)
(unaudited)
(\$ thousands)

Page 3

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Net Interest Income	\$ 4,212	\$ 3,777	\$ 3,221	\$ 4,043	\$ 4,462	\$ 15,503	\$ 17,571	\$ 14,244	\$ 13,764
Taxable equivalent adjustment	832	715	559	491	444	2,209	1,650	1,775	1,784
Net Interest Income (NII) (teb)	5,044	4,492	3,780	4,534	4,906	17,712	19,221	16,019	15,548
Earnings (loss) from equity accounted investments	-	-	-	-	-	-	1,721	-	-
Administration fees	-	-	-	-	-	-	5	155	263
Gains	-	-	-	-	888	888	16,933	655	-
Aerial forest fire operations	-	-	-	-	-	-	26	5,059	-
Impairment writedown on securities	-	-	-	-	-	-	(3,230)	-	-
Impairment writedown on other assets	(20)	(100)	-	-	-	(100)	(616)	-	-
Other	(66)	214	260	294	71	839	1,323	3,000	18
Total other income (charges)	(86)	114	260	294	959	1,627	16,162	8,869	281
Net interest and other income (teb)	\$ 4,958	\$ 4,606	\$ 4,040	\$ 4,828	\$ 5,865	\$ 19,339	\$ 35,383	\$ 24,888	\$ 15,829
Other income (charges) as a % of total revenue	-1.73%	2.48%	6.44%	6.09%	16.35%	8.41%	45.68%	35.64%	1.78%
Net interest income-loans	1.71%	1.77%	1.72%	2.01%	2.15%	2.01%	2.06%	2.11%	2.18%
Net interest income-securities	1.12%	0.78%	0.43%	0.42%	0.60%	0.60%	0.63%	0.35%	1.00%
Net interest income per average assets	1.36%	1.33%	1.16%	1.36%	1.45%	1.27%	1.56%	1.49%	1.76%

(unaudited)
(\$ thousands)

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Average loans	\$ 976,643	\$ 950,556	\$ 911,678	\$ 897,565	\$ 879,494	\$ 920,779	\$ 806,569	\$ 706,472	\$ 608,021
Average total assets	1,474,669	1,342,120	1,296,209	1,362,781	1,344,229	1,394,193	1,230,478	1,073,408	884,828
Average common equity	50,838	55,473	59,207	61,260	64,324	60,307	58,242	45,826	39,758
Average total equity	54,383	59,018	62,752	64,805	67,869	63,852	61,787	49,371	43,303

NON-INTEREST EXPENSES
(unaudited)
(\$ thousands)

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Salaries and Employee Benefits									
Salaries	\$ 1,577	\$ 1,204	\$ 1,590	\$ 1,620	\$ 1,605	\$ 5,304	\$ 5,059	\$ 4,044	\$ 3,626
Employee Benefits	569	348	458	474	515	2,509	1,533	759	773
Aerial forest fire operations	-	-	-	-	-	-	616	1,231	-
Total	2,146	1,552	2,048	2,094	2,120	7,813	7,208	6,034	4,399
Premises									
Rent	178	175	184	151	161	671	509	419	379
Depreciation	248	240	221	240	223	924	512	355	324
Other	56	45	56	44	33	178	154	118	127
Aerial forest fire operations	-	-	-	-	-	-	81	608	-
Total	482	460	461	435	417	1,773	1,256	1,500	830
General and administrative									
Capital and business taxes	184	154	150	131	174	609	625	501	434
Insurance	67	76	74	71	75	296	275	216	183
Listing, sustaining fees and annual meeting	55	32	35	74	75	216	151	221	180
Marketing and business development	152	153	147	147	125	572	531	388	301
Professional fees and services	193	160	207	133	164	664	534	468	351
Postage and stationary	33	39	26	43	37	145	124	125	142
Telephone and communications	30	33	36	32	41	142	132	108	98
Travel	157	134	222	193	203	752	545	194	176
Other	282	256	237	195	225	915	1,190	1,994	1,558
Aerial forest fire operations	-	-	-	-	-	-	284	674	-
Total	1,153	1,037	1,134	1,019	1,119	4,311	4,391	4,889	3,423
Total non-interest expenses	\$ 3,781	\$ 3,049	\$ 3,643	\$ 3,548	\$ 3,656	\$ 13,897	\$ 12,855	\$ 12,423	\$ 8,652

BALANCE SHEET
(unaudited)
(\$ thousands)

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Cash resources	\$ 185,463	\$ 113,421	\$ 25,714	\$ 136,383	\$ 142,656	\$ 113,421	\$ 207,720	\$ 72,532	\$ 43,728
Securities	292,712	328,306	240,874	296,152	271,659	328,306	217,698	279,851	283,718
Loans									
Residential mortgages	246,523	247,802	245,845	208,386	181,941	247,802	175,363	197,608	196,798
Government financing-direct and indirect	283,600	283,000	255,140	254,039	258,947	283,000	249,562	200,998	191,075
Business loans	415,053	412,330	390,836	396,188	408,113	412,330	389,407	282,472	180,358
Personal loans	30,382	34,595	31,564	41,358	46,157	34,595	49,498	68,229	95,406
Total	975,558	977,727	923,385	899,971	895,158	977,727	863,830	749,307	663,637
Other assets									
Capital assets	8,218	8,164	6,957	6,487	6,266	8,164	3,536	9,793	3,124
Deferred financing charges		-	-	-	728	-	629	858	1,087
Investment in Discovery Air *	13,122	16,592	16,828	16,858	30,763	16,592	24,985	-	-
Other assets	15,609	14,446	11,825	10,983	11,499	14,446	11,331	18,886	20,294
Total	36,949	39,202	35,610	34,328	49,256	39,202	40,481	29,537	24,505
Total assets	\$ 1,490,682	\$ 1,458,656	\$ 1,225,583	\$ 1,366,834	\$ 1,358,729	\$ 1,458,656	\$ 1,329,729	\$ 1,131,227	\$ 1,015,588
Deposits									
Demand	\$ 7,251	\$ 7,544	\$ 15,982	\$ 7,255	\$ 7,301	\$ 7,544	\$ 7,859	\$ 10,131	\$ 14,280
Term (including accrued interest)	1,355,799	1,275,212	1,100,335	1,148,128	1,166,936	1,275,212	1,202,696	925,627	872,965
Total	1,363,050	1,282,756	1,116,317	1,155,383	1,174,237	1,282,756	1,210,555	935,758	887,245
Other liabilities	35,188	83,186	12,438	111,405	83,949	83,186	12,340	105,606	48,339
Notes payable	40,732	35,660	35,847	35,523	35,456	35,660	36,184	36,186	34,186
Non-controlling interest in subsidiary	-	-	-	-	-	-	-	754	-
Shareholders' Equity									
Share capital									
Common	35,532	35,925	36,372	36,339	34,737	35,925	34,230	33,249	32,920
Preferred shares	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545
Retained earnings	39,077	39,470	39,917	39,884	38,282	39,470	37,775	36,794	36,465
Accumulated other comprehensive income	24,404	24,125	23,513	23,386	23,131	24,125	32,875	16,129	9,353
	(11,769)	(6,541)	(2,449)	1,253	3,674	(6,541)	-	-	-
	51,712	57,054	60,981	64,523	65,087	57,054	70,650	52,923	45,818
Total liabilities and shareholders' equity	\$ 1,490,682	\$ 1,458,656	\$ 1,225,583	\$ 1,366,834	\$ 1,358,729	\$ 1,458,656	\$ 1,329,729	\$ 1,131,227	\$ 1,015,588

* Prior to April, 2006 Discovery Air Inc. was accounted for on the consolidation basis.

IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES
(unaudited)
(\$ thousands)

	QUARTER					YEAR ENDED			
	2008	2007				2007	2006	2005	2004
	Q1	Q4	Q3	Q2	Q1				
Gross impaired loans									
Residential mortgages	\$ 1,225	\$ 1,303	\$ 1,461	\$ 1,102	\$ 1,102	\$ 1,303	\$ 1,106	\$ -	\$ 207
Government financing-direct and indirect	-	-	-	-	-	-	-	-	-
Business loans	-	-	1,065	1,352	1,352	-	1,977	362	1,014
Personal loans	138	149	90	90	90	149	13	-	-
Total gross impaired loans	\$ 1,363	\$ 1,452	\$ 2,616	\$ 2,544	\$ 2,544	\$ 1,452	\$ 3,096	\$ 362	\$ 1,221
Allowance for credit losses									
Specific provisions	\$ 481	\$ 473	\$ 708	\$ 687	\$ 652	\$ 473	\$ 358	\$ -	\$ 75
General allowance	2,733	2,733	2,536	2,415	2,343	2,733	2,208	1,889	1,648
Total allowance for credit losses	\$ 3,214	\$ 3,206	\$ 3,244	\$ 3,102	\$ 2,995	\$ 3,206	\$ 2,566	\$ 1,889	\$ 1,723
Reconciliation of allowance for credit losses									
Balance, beginning of period	\$ 3,206	\$ 3,244	\$ 3,102	\$ 2,995	\$ 2,566	\$ 2,566	\$ 1,889	\$ 1,723	\$ 1,476
Provision (recovery) for credit losses	8	198	142	72	429	841	787	(61)	(471)
Recoveries (write-offs)	-	(236)	-	35	-	(201)	(110)	227	718
Balance, end of period	\$ 3,214	\$ 3,206	\$ 3,244	\$ 3,102	\$ 2,995	\$ 3,206	\$ 2,566	\$ 1,889	\$ 1,723
Total net impaired loans	\$ (1,851)	\$ (1,754)	\$ (628)	\$ (558)	\$ (451)	\$ (1,754)	\$ 530	\$ (1,527)	\$ (502)
Total loans	\$ 975,558	\$ 977,727	\$ 923,385	\$ 899,971	\$ 895,158	\$ 977,727	\$ 863,830	\$ 749,307	\$ 663,637
Net impaired loans (after general allowance) as a % of total loans	-0.19%	-0.18%	-0.07%	-0.06%	-0.05%	-0.18%	0.06%	-0.20%	-0.08%
Gross impaired loans as a % of total assets	0.09%	0.10%	0.21%	0.19%	0.19%	0.10%	0.23%	0.03%	0.12%
Allowance for credit losses as a % of gross impaired loans	235.80%	220.80%	124.01%	121.93%	117.72%	220.80%	82.88%	521.82%	141.11%