



CANADIAN WESTERN BANK GROUP

BANK • TRUST • INSURANCE • WEALTH MANAGEMENT

Corporate Presentation Third Quarter 2010



Advisory



Forward-looking statements

From time to time, Canadian Western Bank (the Bank) 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 the Bank's objectives and strategies, targeted and expected financial results and the outlook for the Bank'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" 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. A variety of factors, many of which are beyond the Bank'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 lack of liquidity in financial markets, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, regulatory and legal developments, the level of competition in the Bank's markets, the occurrence of weather-related and other natural catastrophes, changes in accounting standards and policies, the accuracy of and completeness of information the Bank 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 the Bank's 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.

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 the Bank's actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, the Bank 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 in 2010 and how it will affect CWB's businesses are material factors the Bank considers when setting its objectives. In setting minimum performance targets for fiscal 2010, management's expectations assumed: moderate economic growth in Canada aided by positive relative performance in the four western provinces; stable or slightly higher energy and commodity prices; sound credit quality with actual losses remaining within the Bank's range of acceptable levels; modest inflationary pressures; and, an improved net interest margin resulting from lower deposit costs, a stable prime lending interest rate, favourable yields on both new lending facilities and renewed accounts, and relatively stable investment returns reflecting high quality assets held in the securities portfolio, partially offset by a reduction in the level of gains on the sale of securities compared to fiscal 2009. Through the first nine months of fiscal 2010, very strong results reflect a significant recovery in net interest margin that materialized more quickly than management anticipated and a further positive impact from the February 1st acquisition of National Leasing Group Inc. Gains on sale of securities through the first three quarters were also much higher than management expected at the onset of fiscal 2010. The provision for credit losses measured as a percentage of average loans reflects higher inherent losses in the portfolio of National Leasing Group Inc. due to the nature of its business.

Canadian Western Bank Group



Lines of business

- Mid-market commercial banking specialty
- Retail banking
- Commercial equipment leasing ⁽¹⁾
- Alternative mortgage lending
- Personal trust
- Corporate trust
- Wealth management
- Auto and home insurance



CANADIAN WESTERN BANK

Banking – 37 branches *(no voice mail)*

Trust Services – 8 locations

Insurance – 2 service centres

Wealth Management – 1 location

of Employees – 1,700+

Proven performance

89 consecutive profitable quarters, over 22 years



⁽¹⁾ CWB's acquisition of National Leasing Group Inc. (National Leasing) was completed on February 01, 2010. National Leasing's financial performance is included within the banking and trust segment starting in the second quarter 2010.

Strategic Priorities – Focus 2010



- ❑ Maintain disciplined underwriting and secured lending practices
- ❑ Evaluate opportunities to deploy capital (loan growth & acquisitions)
- ❑ Build infrastructure/technology to support growth and improve efficiency
- ❑ Integrate *National Leasing* and develop further synergies
- ❑ Grow *Optimum Mortgage* (by geography & product – insured mortgages)
- ❑ Develop insurance distribution capabilities (increase policy growth)
- ❑ Increase contributions from trust services
- ❑ Expand presence in wealth management

Strategic Vision (2013)

Five-year targets (established at the beginning of fiscal 2009)



Surpass \$200 million of net income



Achieve 30% earnings contribution from non-interest sources



Double current income contributions from all CWB subsidiaries



**Enhance retail banking franchise
(including branch network and core deposits)**



**Increase industry and geographic diversification
(specific business units)**

2010 Targets & Performance



| | 2010 Minimum Target | 2010 Year-to-date Performance ⁽¹⁾ |
|---|------------------------------------|---|
| Net income growth ⁽²⁾ | 12% | 64% |
| Total revenue growth (teb) | 12% | 36% |
| Total loan growth | 10% | 11% |
| Provision for credit losses | 0.15% - 0.20% | 0.21% |
| Efficiency ratio (teb) | 48% | 43.2% |
| Return on equity ⁽³⁾ | 13% | 17.8% |
| Return on assets ⁽⁴⁾ | 0.90% | 1.28% |

(1) 2010 year-to-date performance for earnings and revenue growth is the current year results over the same period in the prior year, loan growth is the increase over the past twelve months, and performance for ratio targets is the current year-to-date results annualized. (2) Net income, before preferred share dividends. (3) Return on common equity calculated as annualized net income after preferred share dividends divided by average common shareholders' equity. (4) Return on assets calculated as annualized net income after preferred share dividends divided by average total assets.

- ❑ Positioned to surpass minimum revenue growth and profitability targets by a considerable margin
- ❑ Expect to meet or surpass the target for loan growth
- ❑ Including the impact of National Leasing, expect the provision for credit losses will be 20 to 25 basis points measured as a percentage of average loans

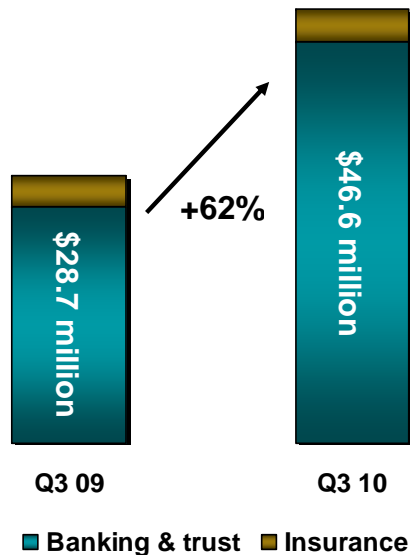
Quarterly Performance (Segment)



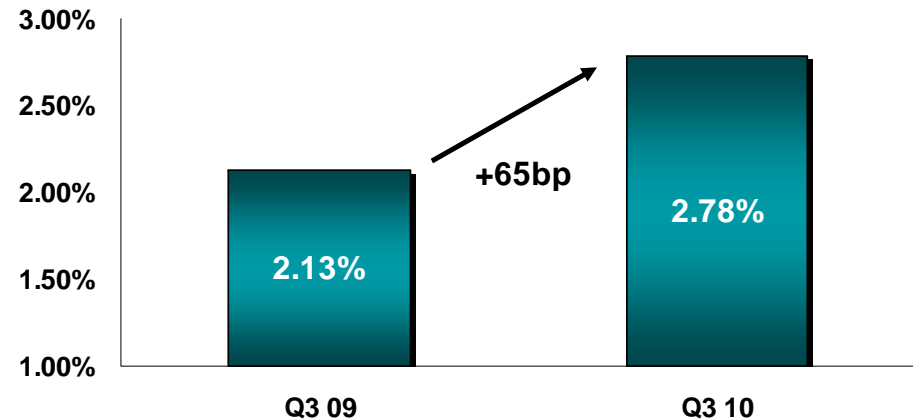
| (\$thousands) | Q3 10 | Q3 09 | Change |
|--|------------------|------------------|-------------|
| Net Income – Banking & trust ⁽¹⁾ | \$ 43,040 | \$ 25,480 | 69 % |
| – Insurance | 3,555 | 3,249 | 9 |
| Diluted earnings per share ⁽¹⁾ | 0.59 | 0.38 | 55 |

⁽¹⁾ Q3 10 results include the impact of an income tax recovery and receipt of a related interest payment that together increased net income by approximately \$8.3 million (\$0.11 per diluted share)

Total Quarterly Net Income



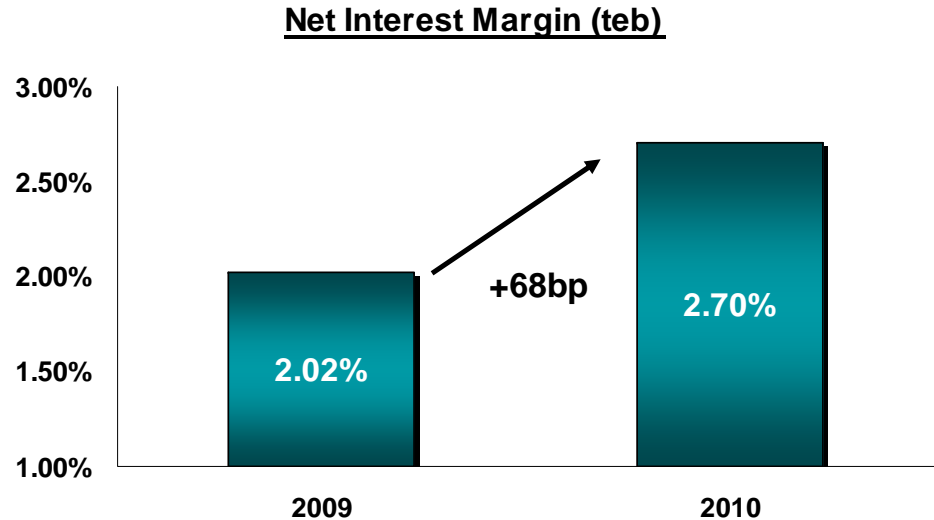
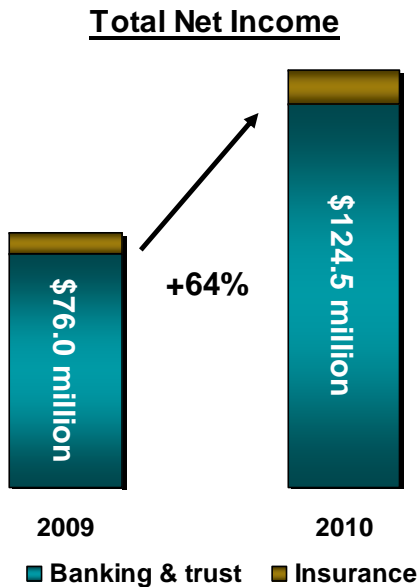
Net Interest Margin (teb)



Year-to-Date Performance (Segment)



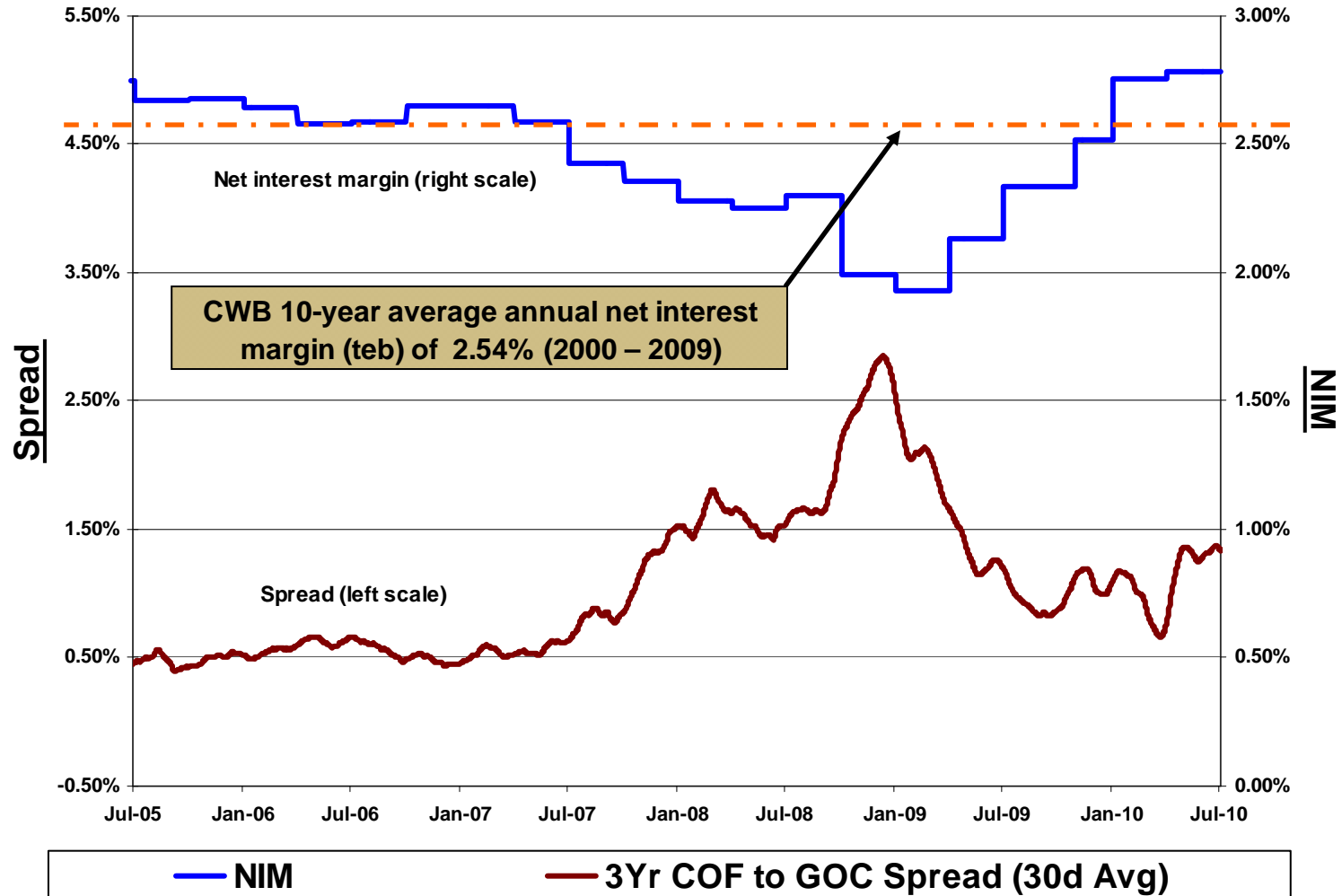
| (\$thousands) | 2010 | 2009 | Change |
|---|------------|-----------|--------|
| Net Income – Banking & trust | \$ 114,215 | \$ 69,707 | 64 % |
| – Insurance | 10,299 | 6,221 | 66 |
| Diluted earnings per share | 1.57 | 1.08 | 45 |



Financial Performance – Margin



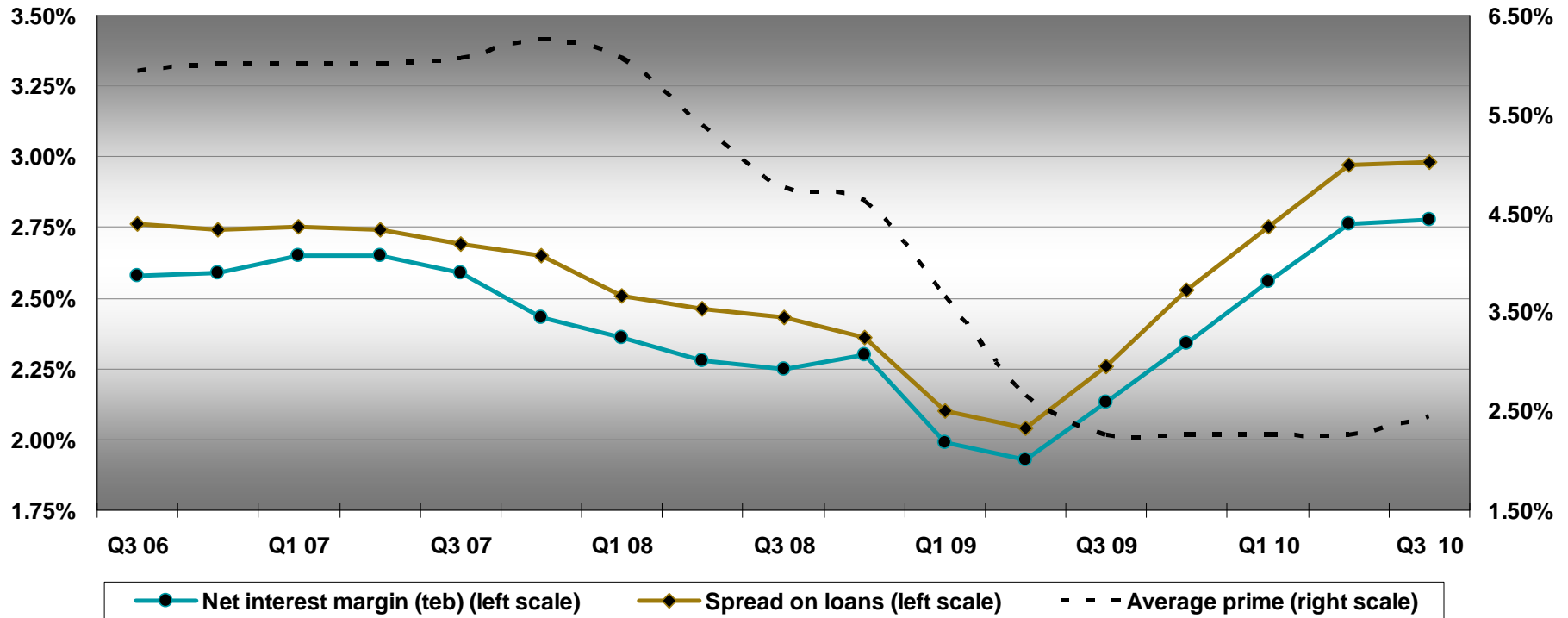
Net interest margin (NIM) vs. CWB cost of funds (COF) spread over 3 year GOC bond



Financial Performance – Margin



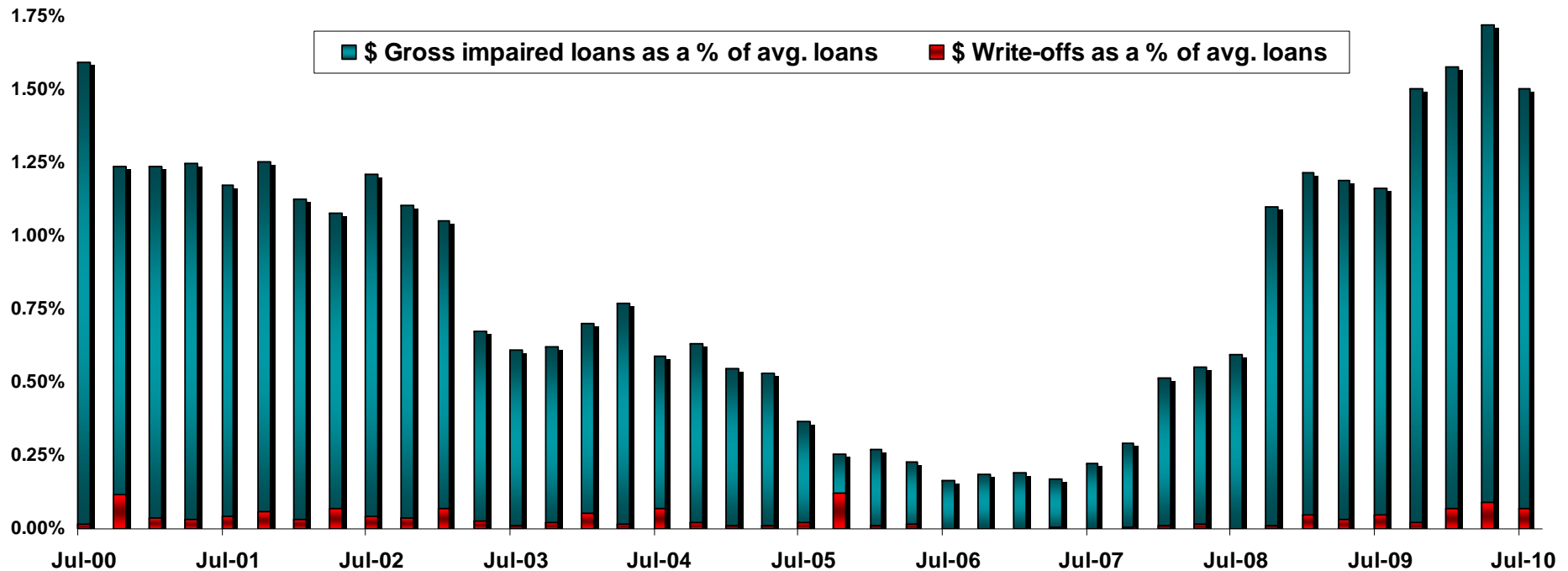
Net interest margin and spread on loans



- ❑ Significant improvement in net interest margin compared to Q3 09 mainly reflects lower deposit costs, higher yields on fixed-rate loans (further augmented by National Leasing), a shift in the deposit mix and lower liquidity
- ❑ Management expects net interest margin will stabilize from this point (reflects competitive and other factors)

Financial Performance – Credit

Gross impaired loans & write-offs (as a percentage of average loans)

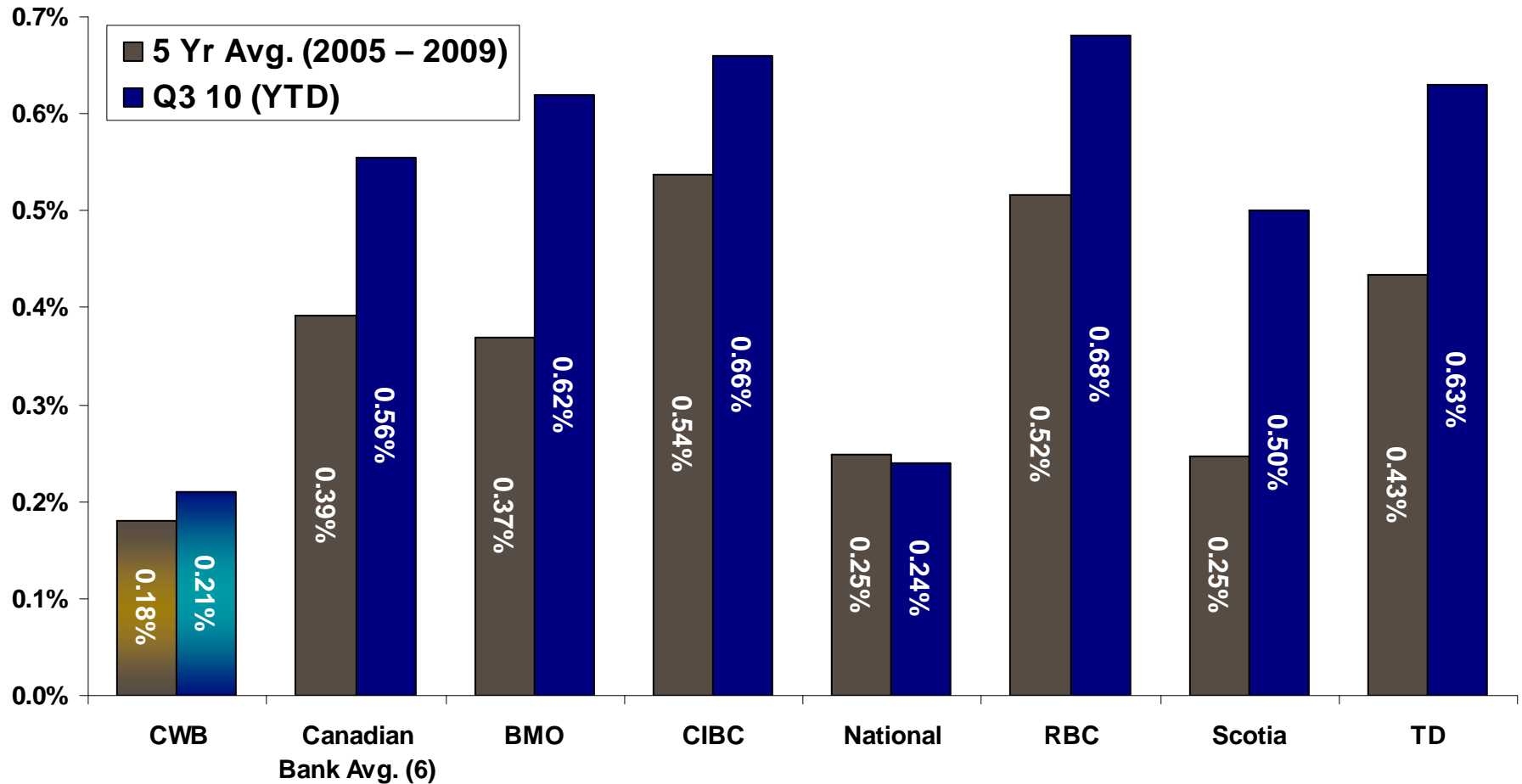


- Currently in the latter stages of the credit cycle, as evidenced by a decline in the level of gross impaired loans compared to Q2 10
- Overall credit quality remains satisfactory in view of ongoing global economic uncertainties
- Actual losses expected to remain at acceptable levels (secured lending practices)

Financial Performance – Credit



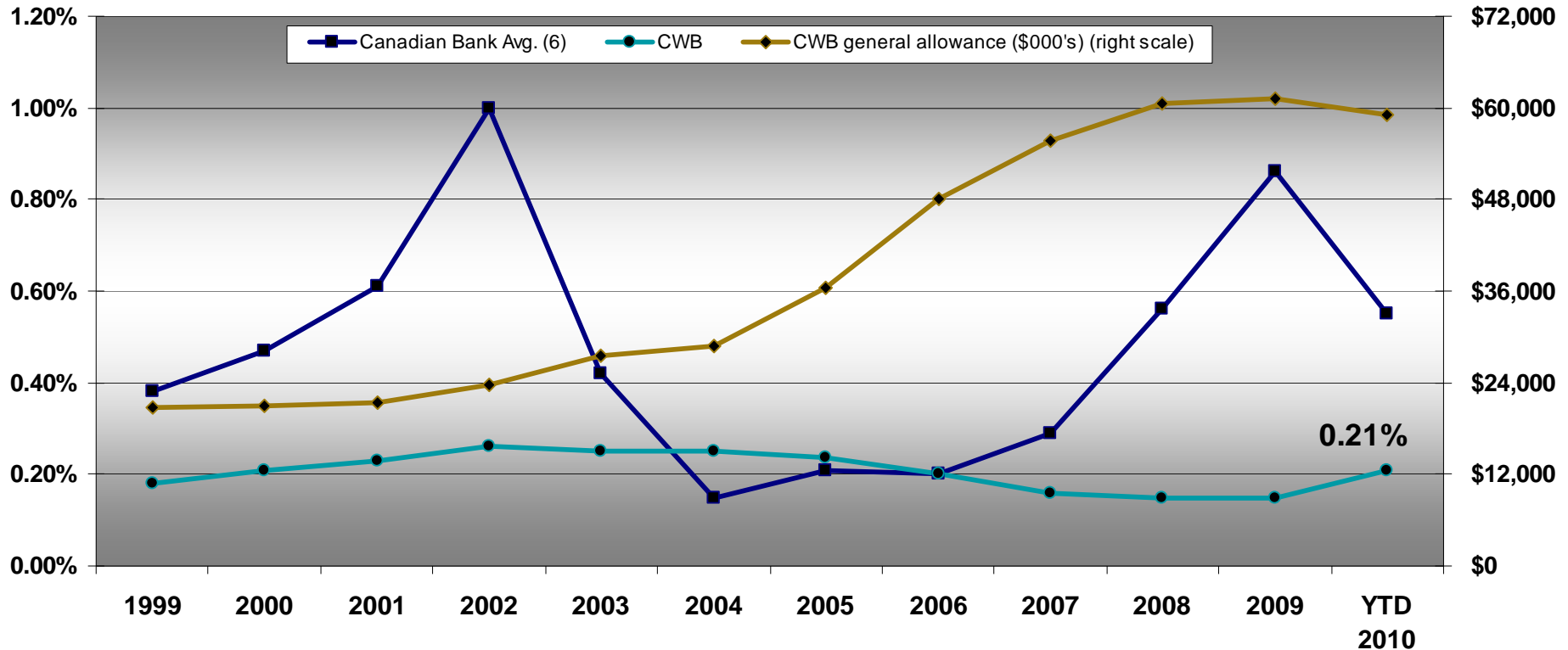
Average annual provision for credit losses (as a percentage of average loans)



Financial Performance – Credit



Provision for credit losses (as a percentage of average loans)

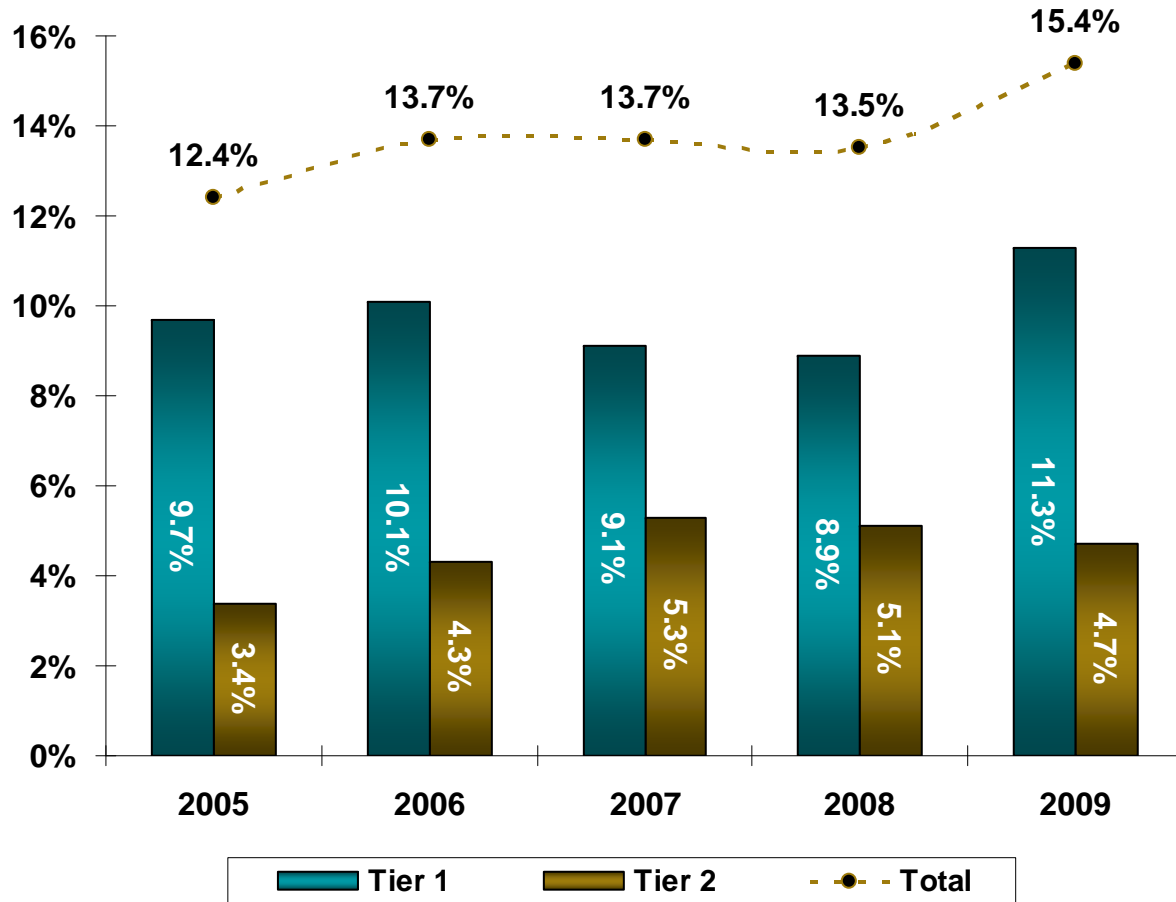


- ❑ The Bank's long history of relatively low loan losses coupled with a consistent provision for credit losses has led to significant increase in the dollar level of the general allowance
- ❑ The provision for credit losses going forward is expected to represent 20 to 25 basis points of average loans reflecting higher inherent losses in the portfolio of National Leasing (overall earnings impact more than offset by higher yields)

Financial Performance – Capital Ratios



CWB historical capital ratios

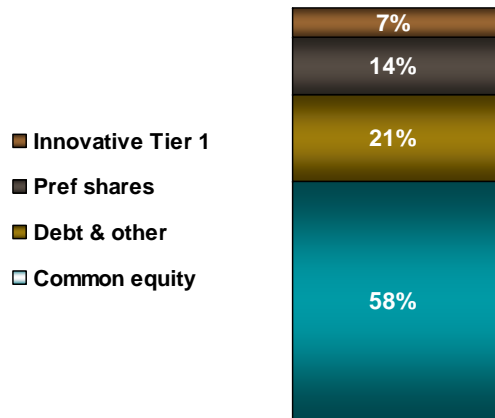


| Compared to Peers (Q3 10) | | |
|---------------------------|---------------|--------------|
| (Basel II) | | |
| | <u>Tier 1</u> | <u>Total</u> |
| BMO | 13.6% | 16.1% |
| CIBC | 14.2% | 18.1% |
| CWB | 11.4% | 14.4% |
| National | 13.0% | 16.4% |
| RBC | 12.9% | 14.2% |
| Scotia | 11.7% | 13.8% |
| TD | 12.5% | 16.0% |

Capital & Leverage

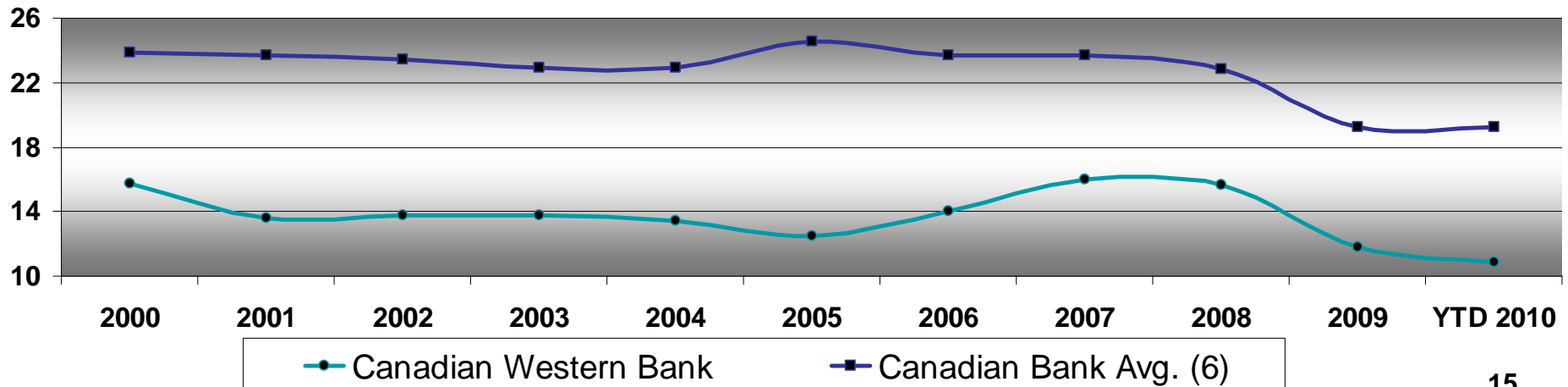


Regulatory capital structure (as at July 31, 2010)



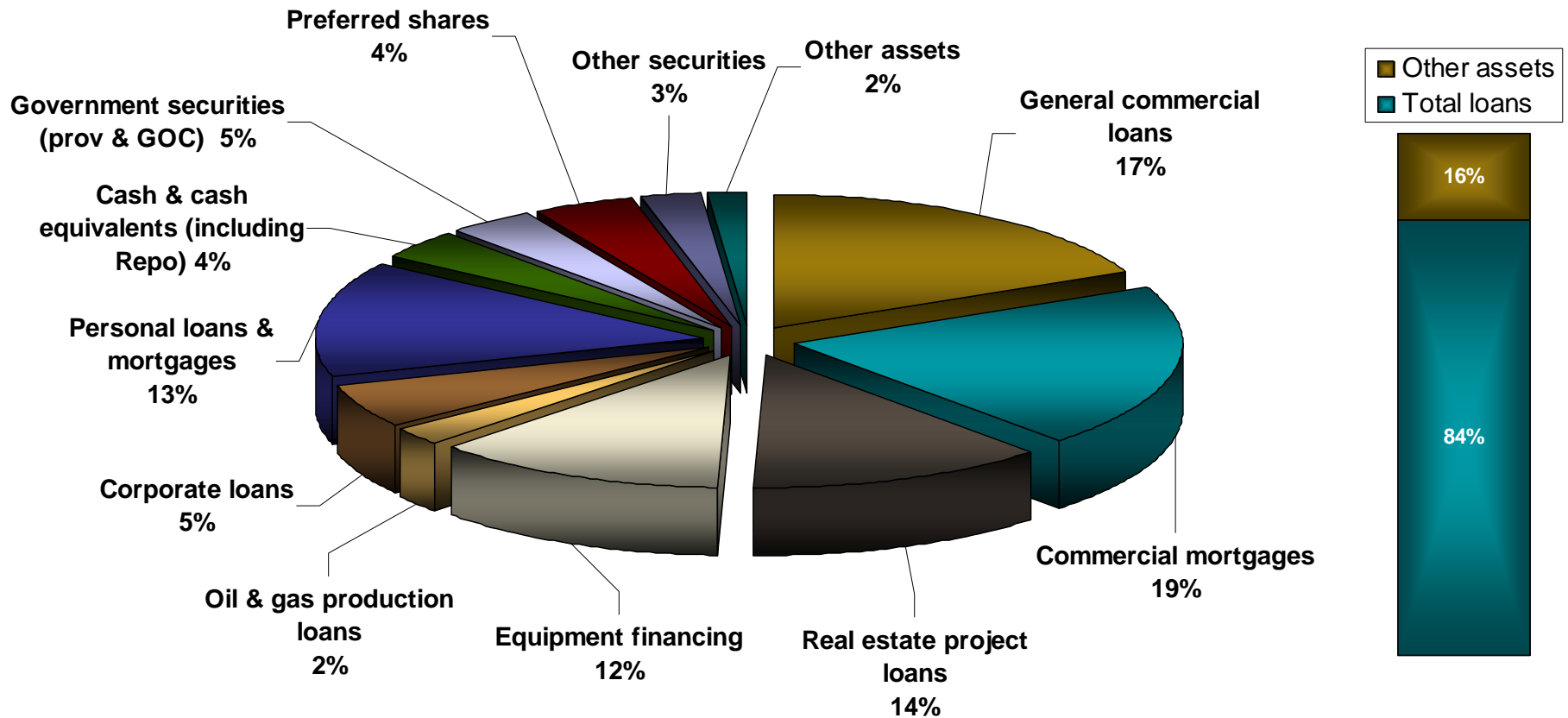
| | CWB | Current Regulatory Minimum |
|------------------------|-------|----------------------------|
| Tangible Common Equity | 8.5 % | — |
| Tier 1 Capital | 11.4 | 7.0 % |
| Total Capital | 14.4 | 10.0 |

Low leverage (total assets to equity)



CWB Balance Sheet – Assets

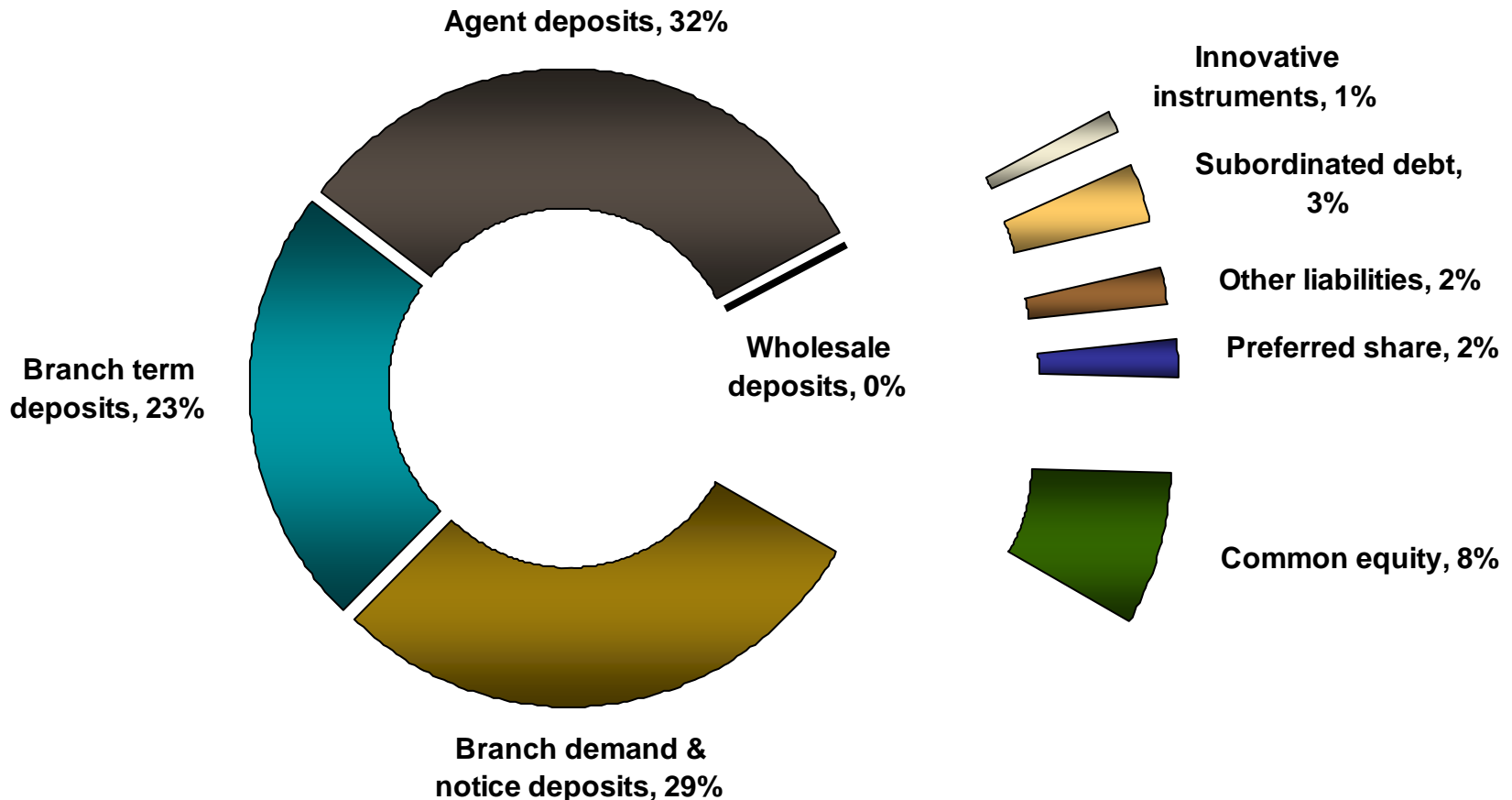
Composition of assets (as at July 31, 2010)



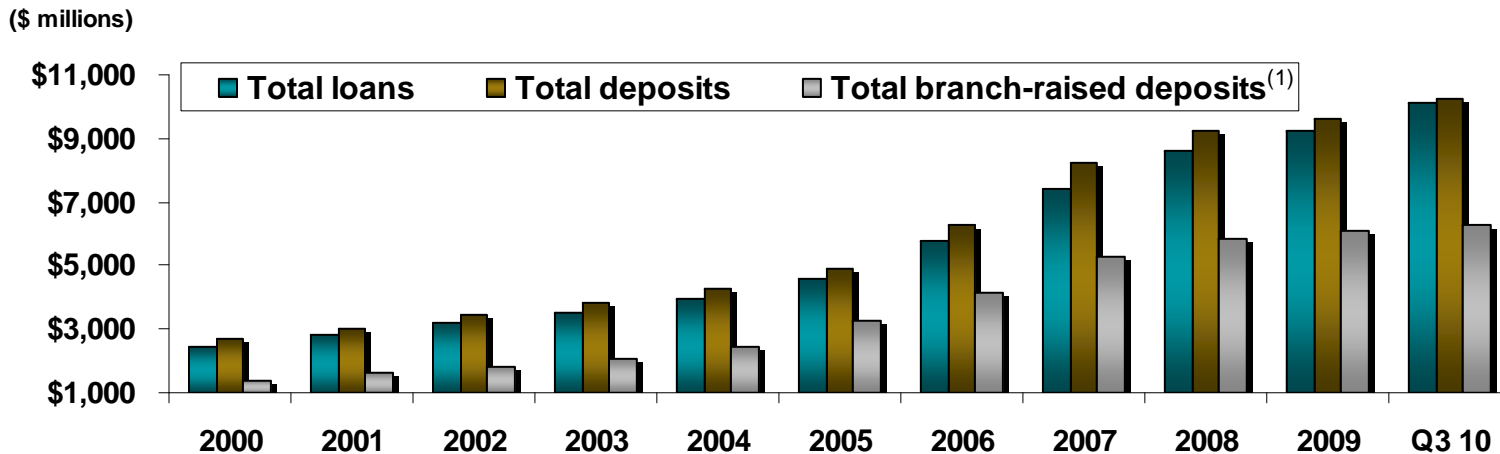
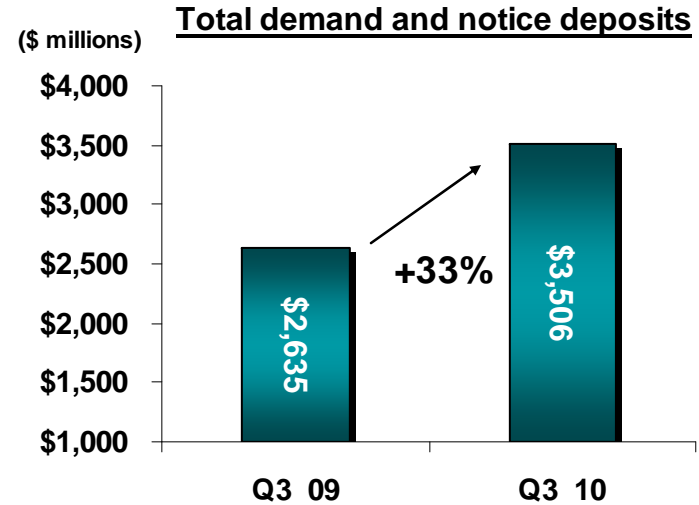
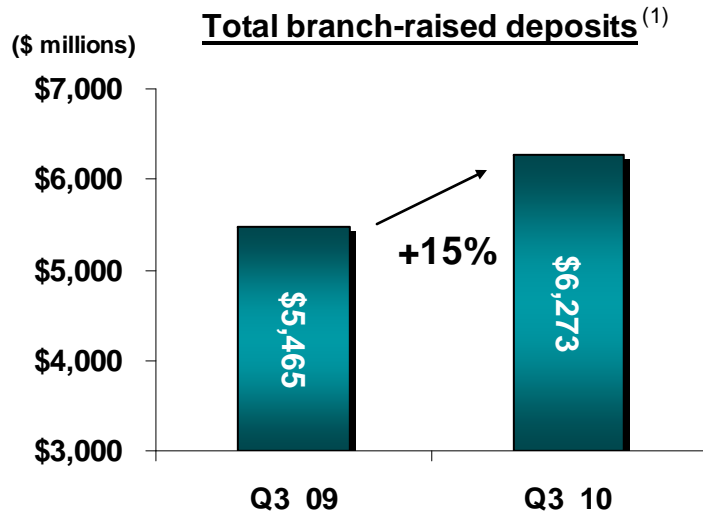
CWB Balance Sheet – Funding Sources



Composition of liabilities & equity (as at July 31, 2010)



CWB Balance Sheet – Funding Sources

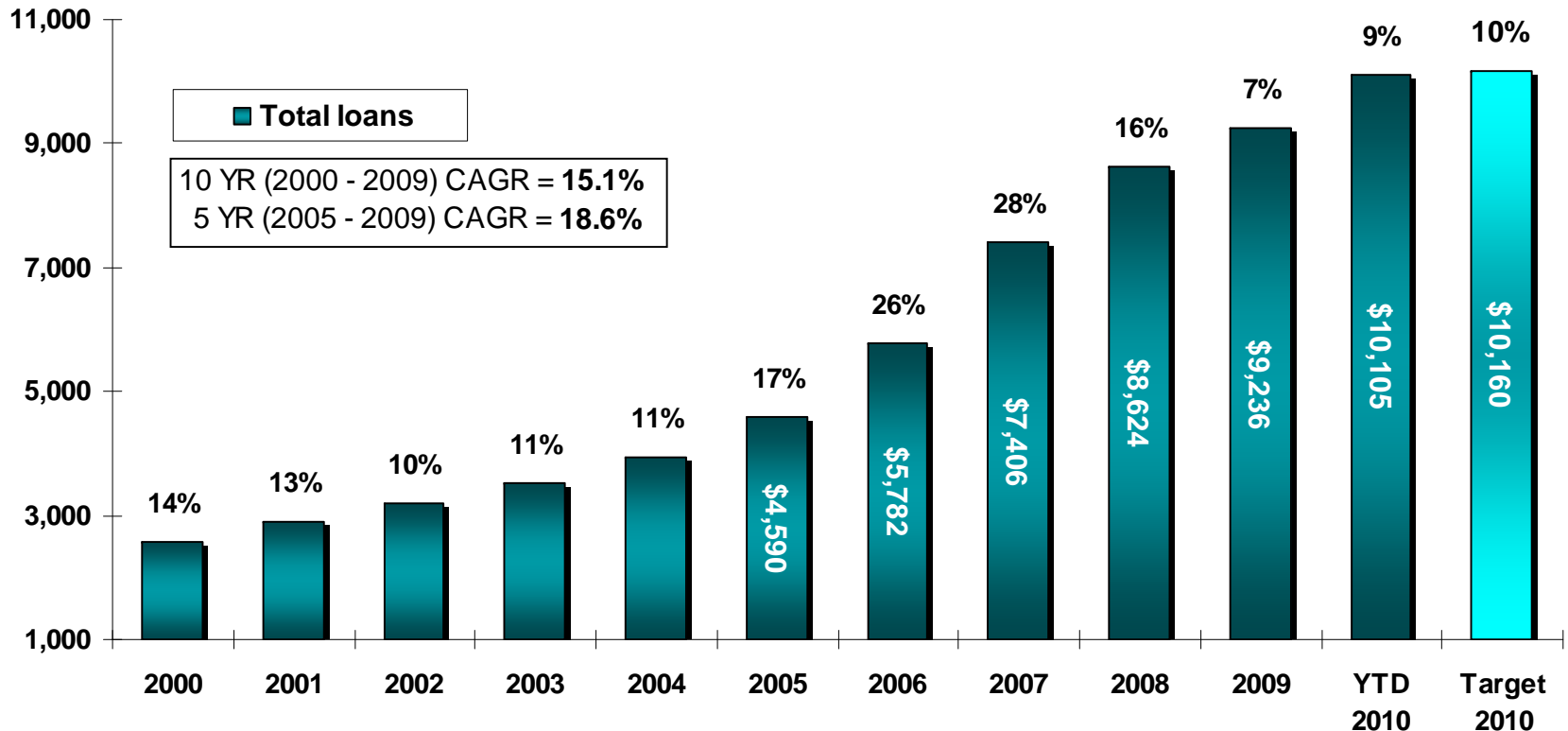


(1) Branch-raised deposits include deposits raised through CWB's fiduciary trust businesses, Canadian Western Trust and Valiant Trust

Loan Growth



Total loans outstanding (\$ millions)

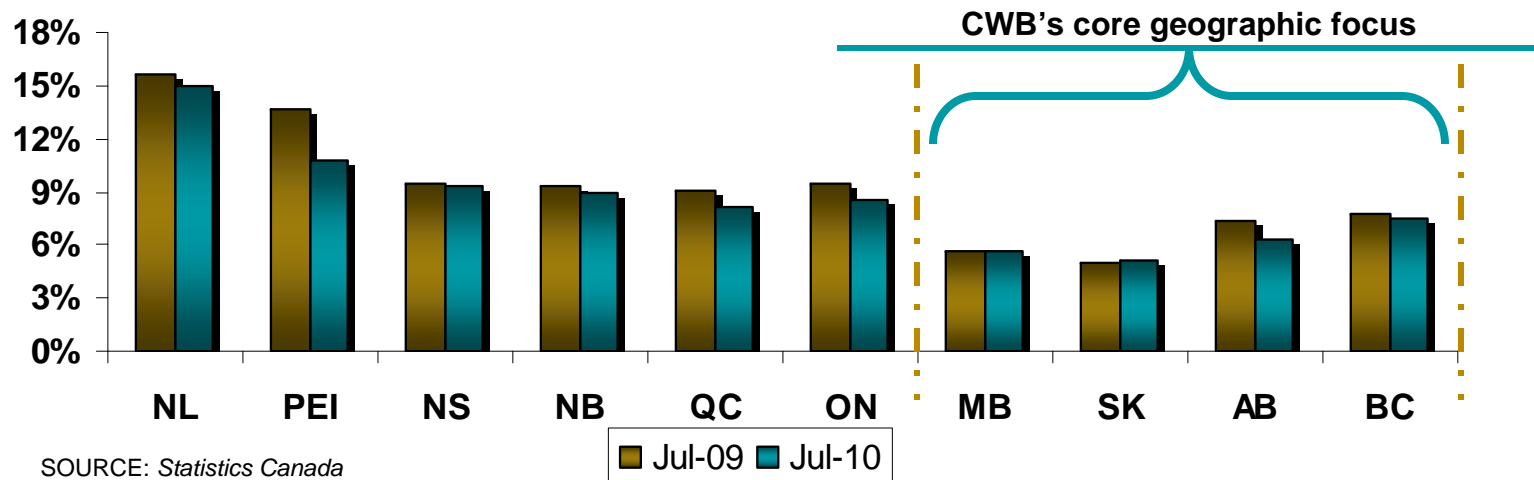


- Total loans grew 2% (\$238 million) in the quarter, 9% (\$869 million) year-to-date and 11% (\$967 million) over the past twelve months (includes the on-balance sheet growth contribution from National Leasing)

Economic Outlook

- ❑ Economic fundamentals in Canada appear to be improving despite some challenges and ongoing global economic uncertainties
- ❑ Canada (particularly Western Canada) is positioned to further benefit once a sustained global economic recovery is confirmed
 - strong resource-based economies
 - fiscal flexibility (relatively low debt levels)
 - decreased inflationary pressures (labour, construction costs, etc.)
- ❑ Revised framework introduced for oil & gas royalties in Alberta (March 2010)
 - expected to drive increased exploration and drilling activity over time

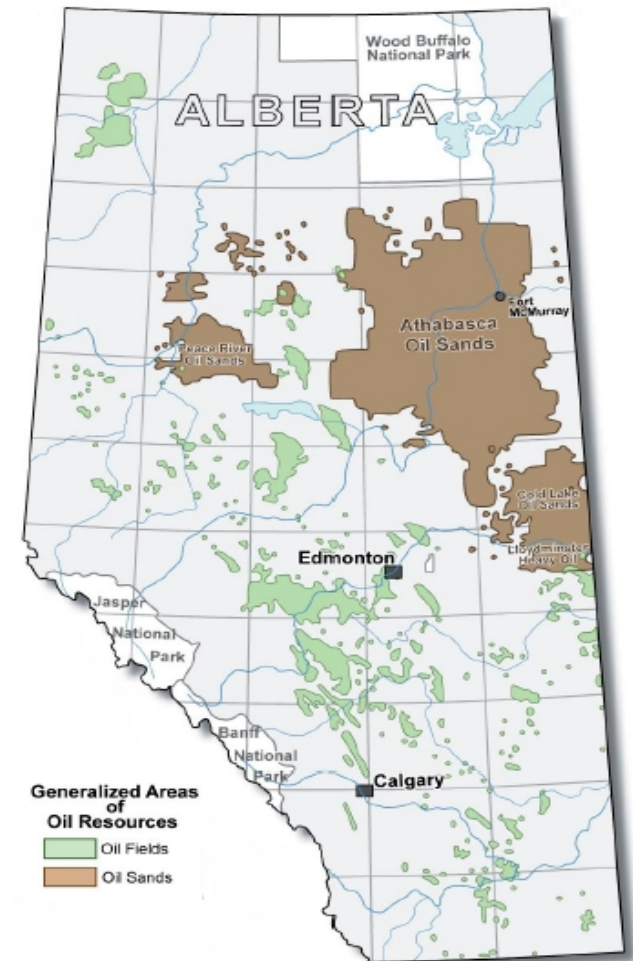
Provincial Unemployment Rates (seasonally adjusted)



Oil & Gas Industry – Western Canada

Opportunities in Western Canada's oil & gas industry

- ❑ 170+ billion barrels of proven oil reserves
- ❑ In 2009, Alberta produced 544 million BOE, the equivalent of approx. 1.5 million BOE per day (current estimates call for 3.2 million BOE per day by 2019)
- ❑ In 2009, there were 9,342 oil & gas wells completed in Western Canada; this compares to CAODC estimates for 2010 of 11,587
- ❑ In 2009, rig utilization in Western Canada was 25%; this compares to CAODC expectations for 2010 of 42% (50% in the last two quarters)
- ❑ Economic activity related to Canada's oil sands contributed over \$1.7 trillion toward national GDP in 2009



Sources:

ERCB ST98-2010: Alberta's Energy Reserves 2009 and Supply/Demand Outlook / Overview
Canadian Energy Research Institute (CERI) Study
The Canadian Association of Oil Well Drilling Contractors (CAODC) <http://www.caodc.ca/index.html>

Infrastructure

Expanding market presence

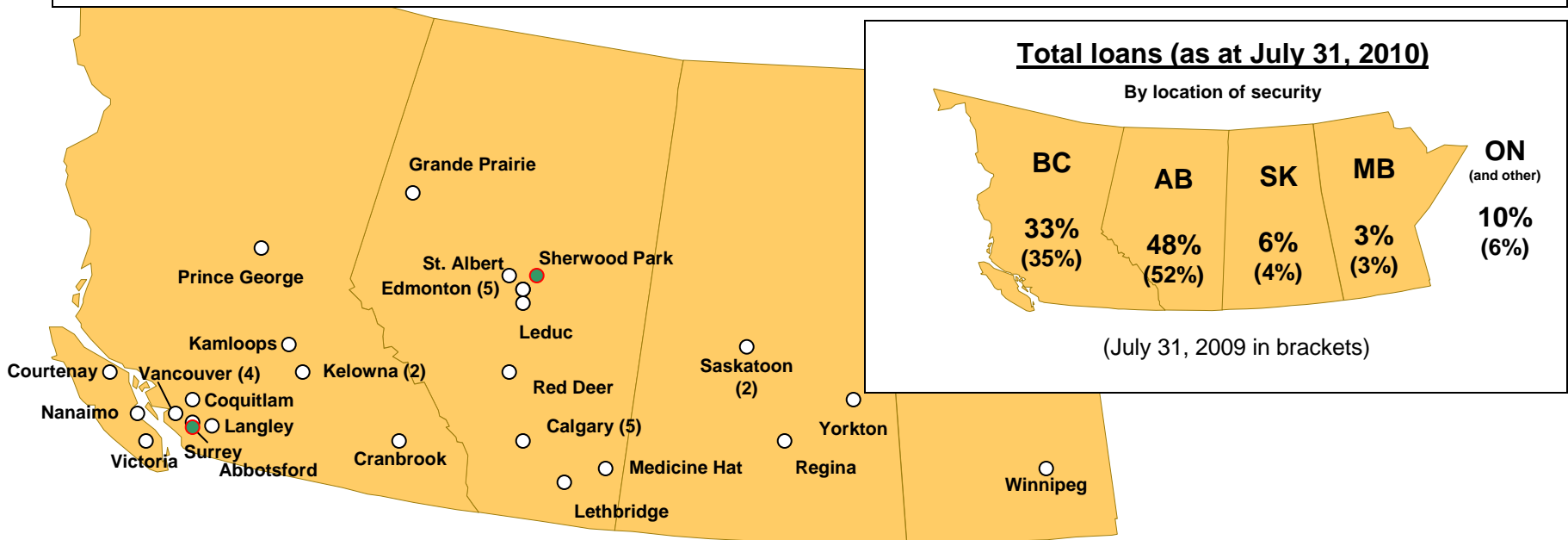
Banking branches – across Western Canada

Equipment leasing centre – headquartered in Winnipeg (satellite offices across Canada)

Trust services offices – Calgary, Edmonton, Toronto, Vancouver

Insurance call centres – Edmonton, Vancouver

Wealth management office – Edmonton

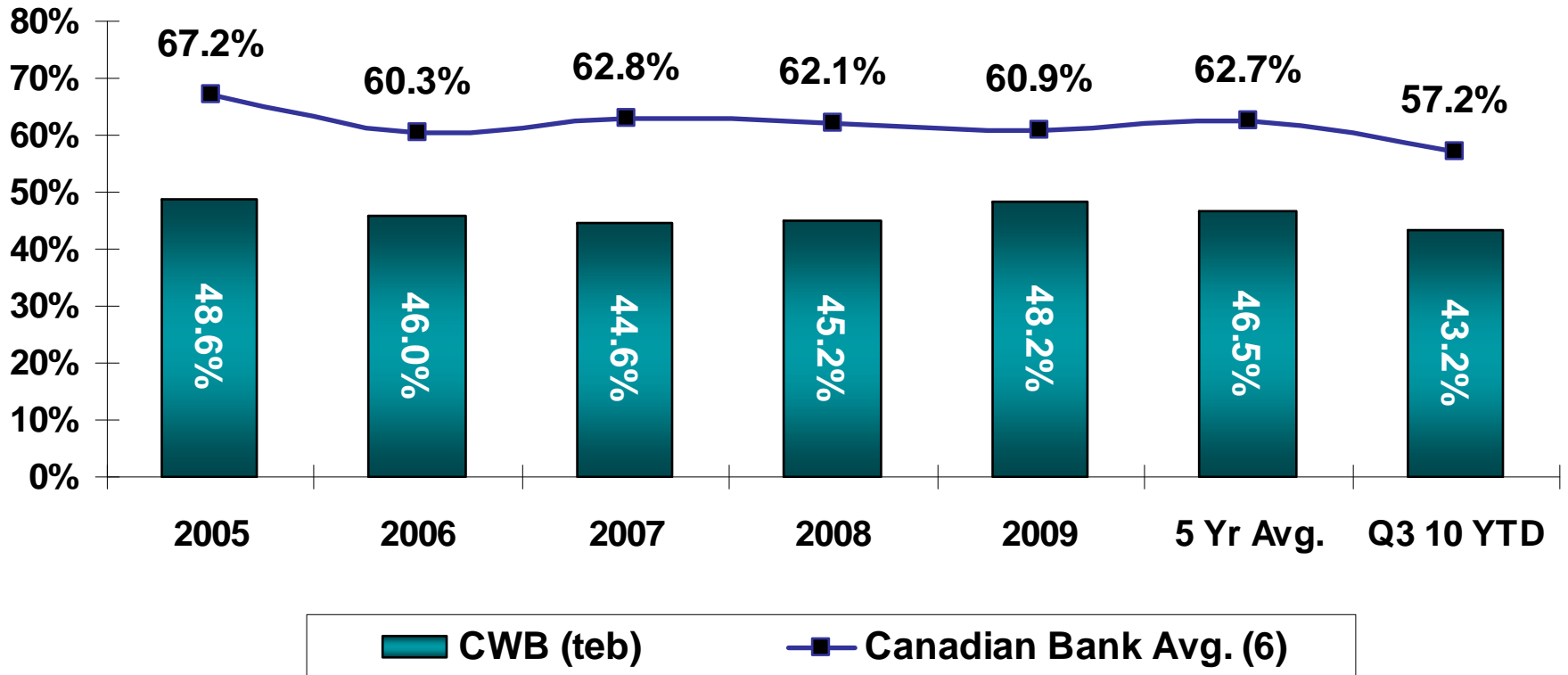


● New full-service branches in Surrey, BC & Sherwood Park, AB planned to open in Q4 10

CWB Group – Cost Efficiency

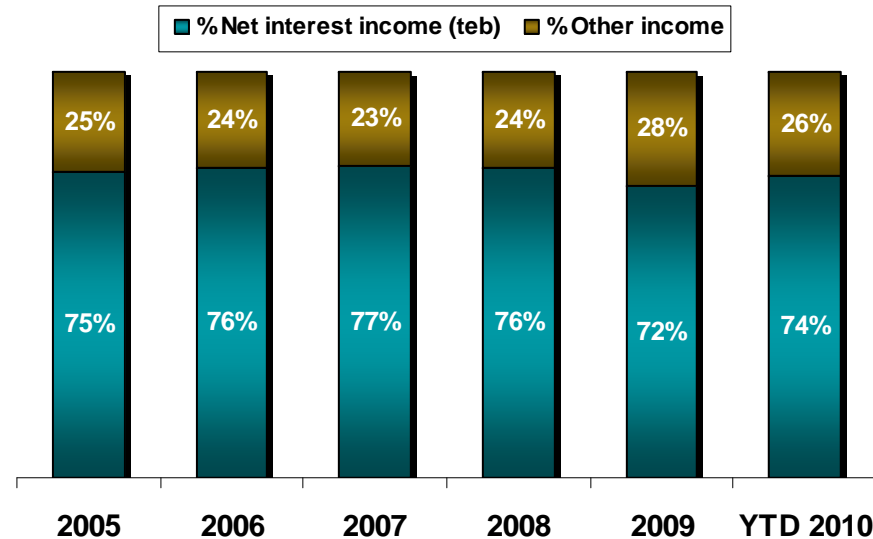


Efficiency ratio (non-interest expenses as a % of total revenues (teb))



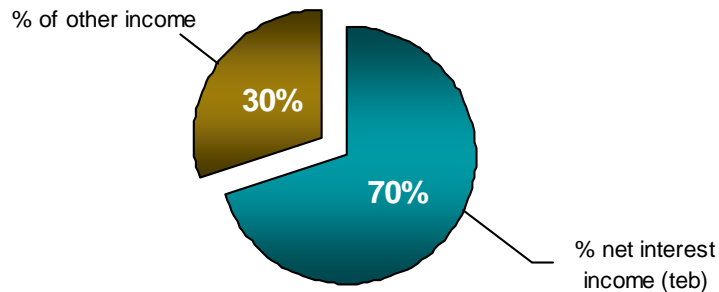
□ Exceptional efficiency relative to other Canadian banks – demonstrated ability to effectively control costs while maintaining expenditures necessary to support sustained growth

CWB Group – Composition of Income



Medium-term objective to grow other income to encompass 30% of total revenues

(assumes "normal" net interest margin)



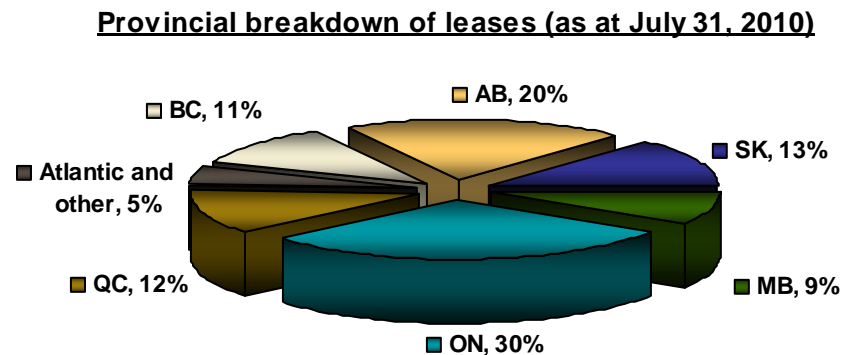
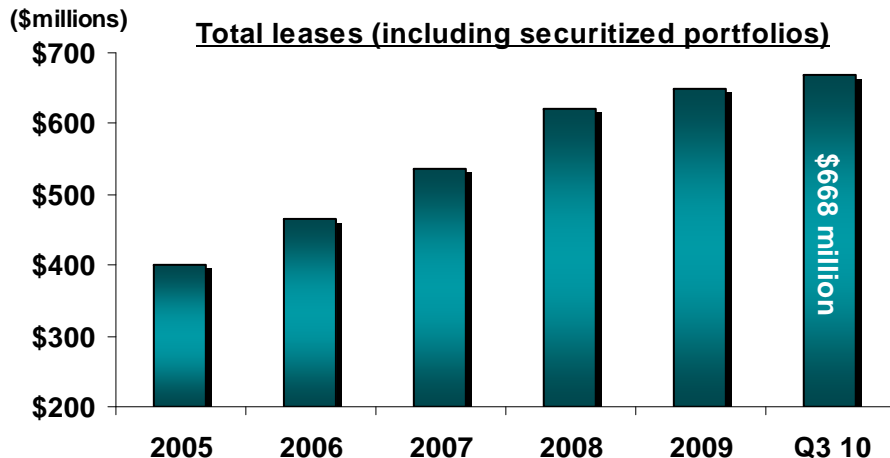
- Trust services & wealth management
- Insurance
- Other (accretive and complementary)
 - enhance fee-based income
 - fill product gaps

National Leasing



Strategic acquisition completed February 01, 2010

- ❑ Strong management / ~300 employees
- ❑ Great organizational culture
- ❑ Diversification (geography, industry, equipment type)
- ❑ Complements existing banking/lending operations
- ❑ Significant synergies expected (funding, growth, culture, technology, etc.)
- ❑ Much higher yields compared to CWB's core banking business; partially offset by an increased provision for credit losses



Trust Services



Canadian Western Trust (CWT) & Valiant Trust Company

□ Excellent return on equity and strong growth potential



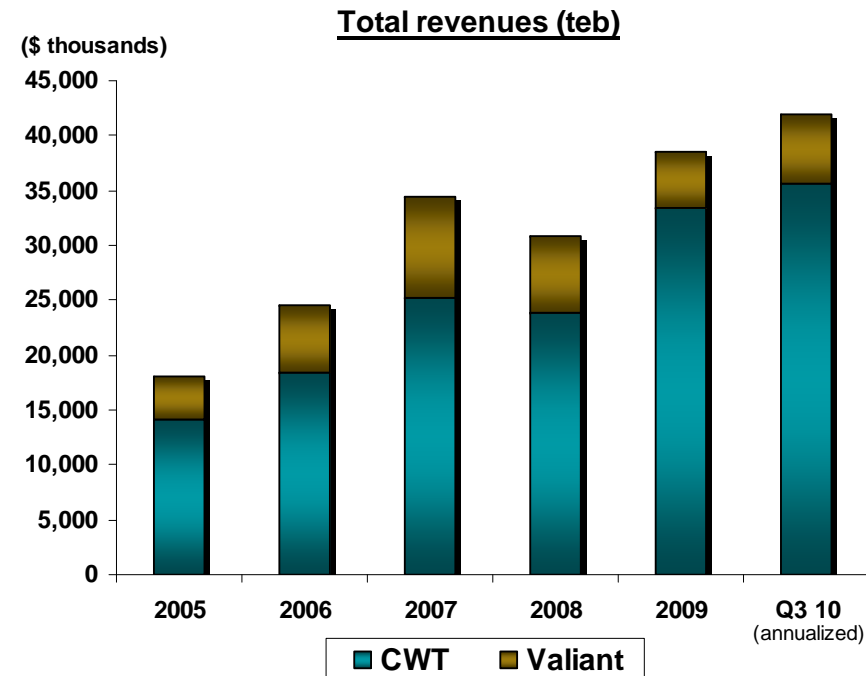
- source of non-interest income
- lower capital requirements
- less cyclical than core banking business



- scalable growth platform that allows for both geographic and product expansion

□ \$5.8 billion assets under administration

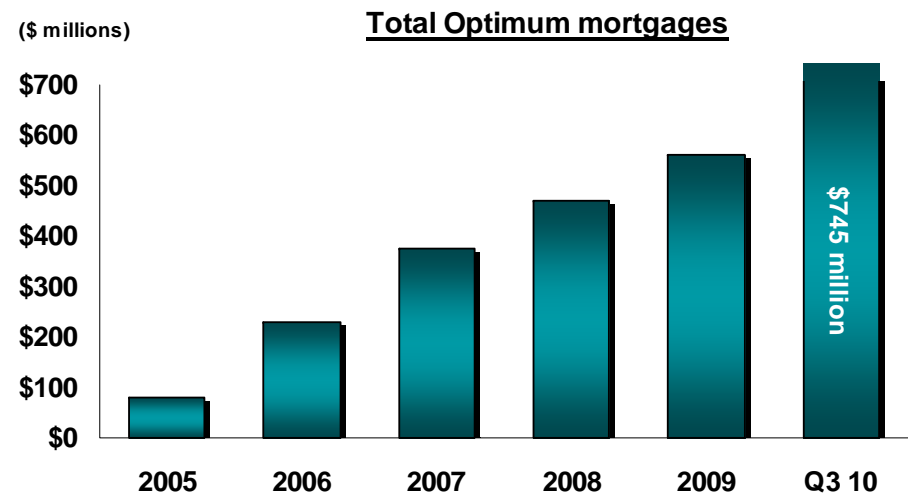
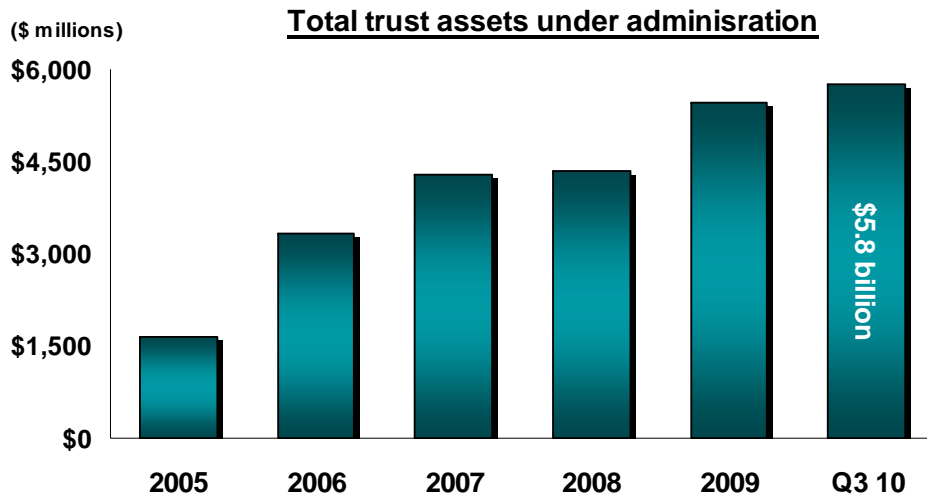
- \$1 billion + low cost float



CWT with Optimum Mortgage



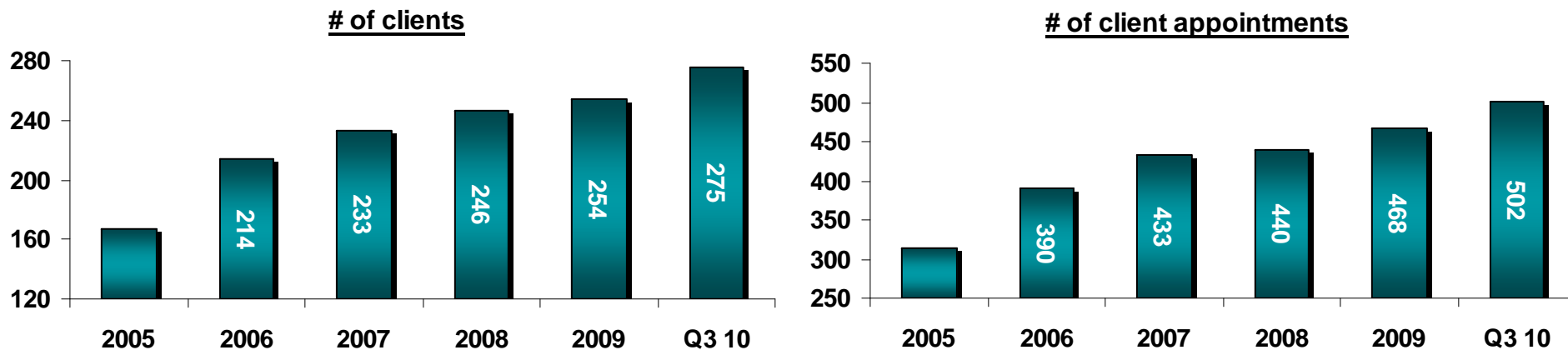
- ❑ Very strong revenues and earnings
- ❑ Business and geographic diversification
 - Western Canada and Ontario
 - blend of fee-based income and interest revenues
- ❑ Significant growth opportunities (CWT trust services & Optimum)
 - still in the early stages of realizing true potential



Valiant Trust



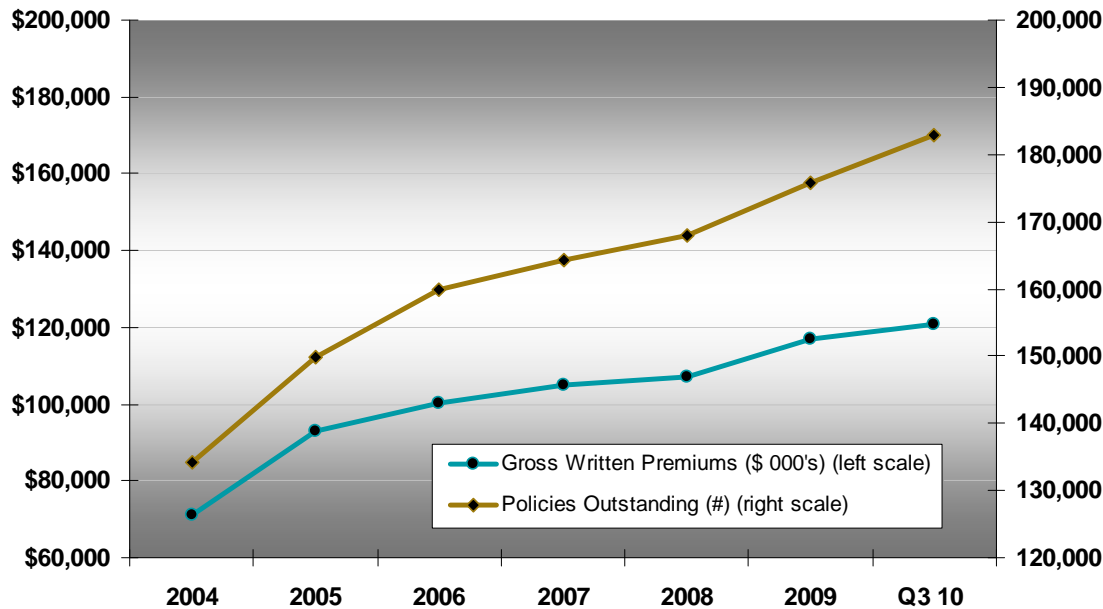
- ❑ Strong business development strategy in Western Canada and Ontario
 - focus on exceptional client service
 - cross-sell opportunities with CWB business banking
- ❑ Recently approved as a federal deposit-taking institution (CDIC license)
 - leverage capital and improve return on equity
- ❑ Scalable growth platform that offers both geographic and product expansion



Canadian Direct Insurance

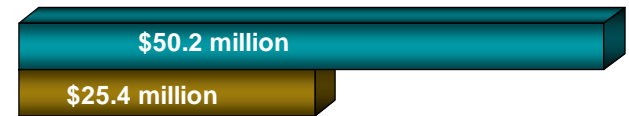
□ Personal auto and home insurance (BC & AB)

- distributes policies through telephone, Internet and broker network
- solid organic growth profile (also potential for growth via acquisition)
- source of income not directly correlated with general economic fluctuations
- exceptional balance sheet and strong reserves
- experienced and conservative management



Gross written premiums in 2004 reflect a 10-month fiscal year due to CWB acquisition

Value creation (CDI Acquired in 2004)



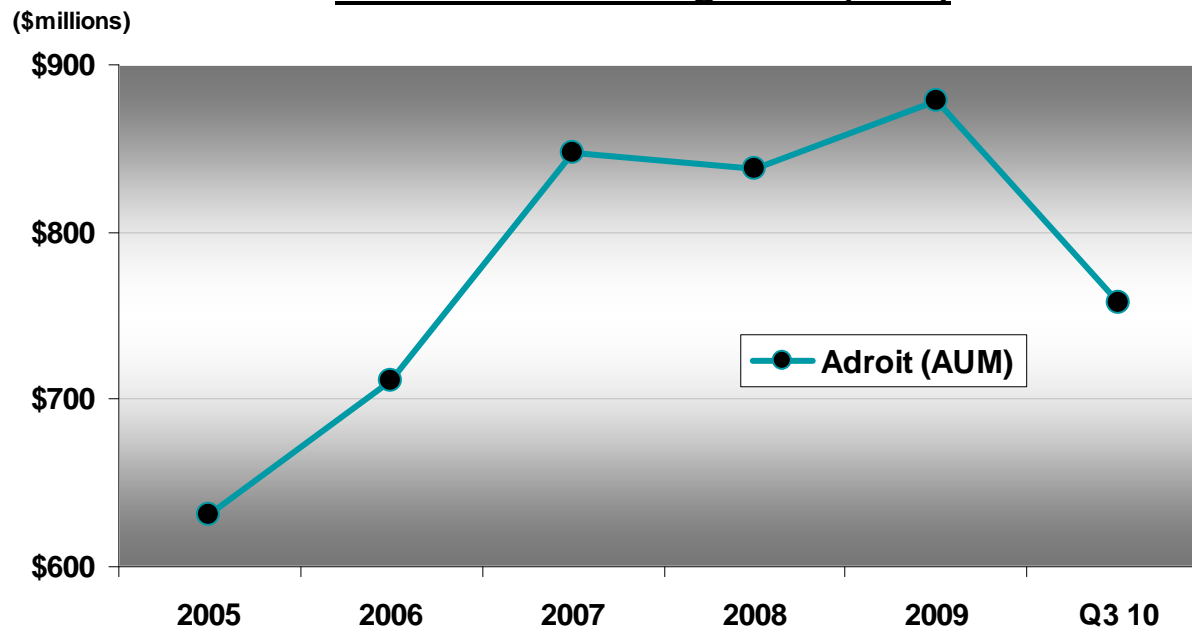
- CDI cumulative net income since acquisition
- CDI total acquisition cost (2004)

Adroit Investment Management



- ❑ Complementary business line with good growth potential
 - expansion opportunities via organic growth and acquisition
- ❑ Confirmed synergies with existing banking and trust operations
 - fills important product gap for banking clients (high net worth & corporate)
 - opportunity to grow fiduciary trust business (CWT)
- ❑ Provides a stable source of fee-based income with low capital requirements

Assets under management (AUM)



History of Financial Performance



Historical earnings and asset growth

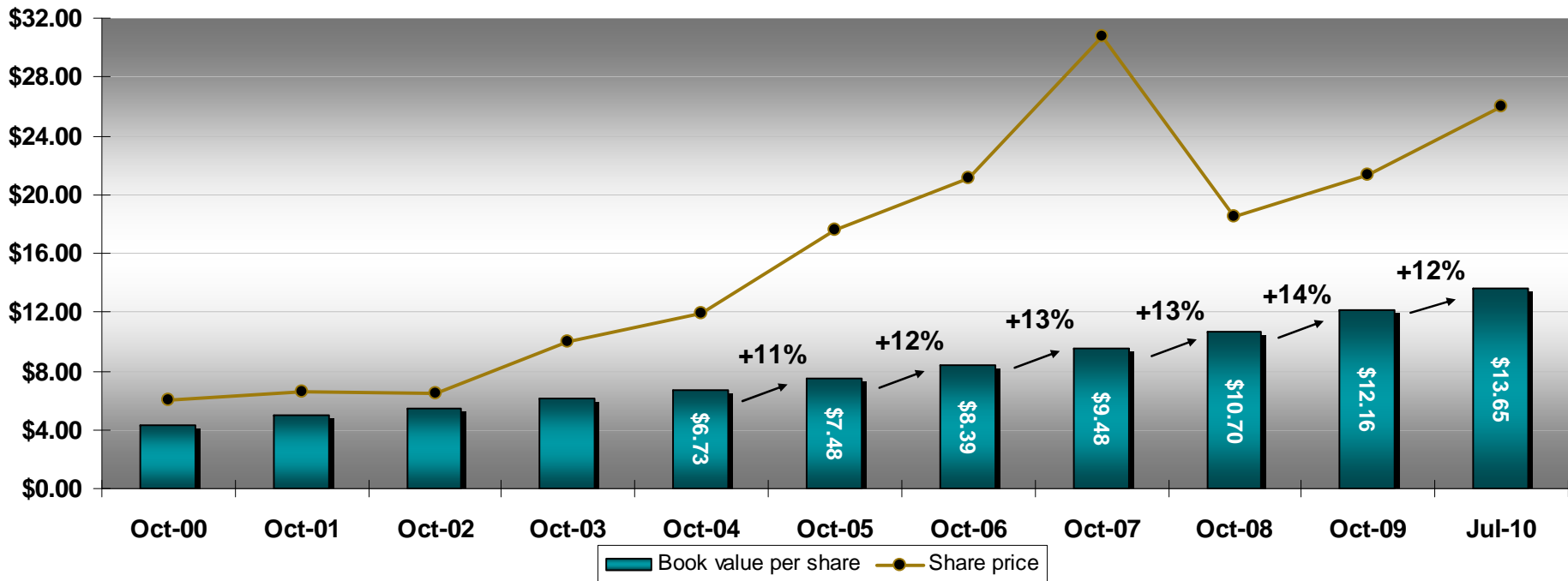
| YEAR | TOTAL ASSETS (\$ thousands) | % ASSET GROWTH Y/Y | NET INCOME BEFORE TAX (\$ thousands) | NET INCOME (\$ thousands) |
|----------|--------------------------------|--------------------|---|------------------------------|
| 1984 | 49,881 | | 1,352 | 715 |
| 1985 | 106,436 | 113% | 2,408 | 2,085 |
| 1986 | 130,609 | 23% | 540 | 1,133 |
| 1987 | 134,028 | 3% | 546 | 464 |
| 1988 | 276,515 | 106% | -2,336 | -5,522 |
| 1989 | 341,172 | 23% | 1,727 | 1,703 |
| 1990 | 417,796 | 22% | 1,444 | 1,378 |
| 1991 | 485,554 | 16% | 1,309 | 1,233 |
| 1992 | 542,803 | 12% | 1,346 | 1,266 |
| 1993 | 597,559 | 10% | 1,884 | 1,805 |
| 1994 | 705,709 | 18% | 5,078 | 4,967 |
| 1995 | 1,330,596 | 89% | 11,147 | 10,808 |
| 1996 | 1,754,072 | 32% | 13,953 | 12,822 |
| 1997 | 2,022,951 | 15% | 16,253 | 15,837 |
| 1998 | 2,386,478 | 18% | 20,393 | 19,012 |
| 1999 | 2,692,382 | 13% | 26,270 | 19,853 |
| 2000 | 3,059,540 | 14% | 35,435 | 26,349 |
| 2001 | 3,439,568 | 12% | 46,582 | 30,145 |
| 2002 | 3,828,162 | 11% | 45,716 | 29,612 |
| 2003 | 4,343,972 | 13% | 59,823 | 38,193 |
| 2004 | 4,918,895 | 13% | 63,647 | 44,161 |
| 2005 | 5,705,028 | 16% | 81,385 | 54,391 |
| 2006 | 7,268,360 | 27% | 105,443 | 72,007 |
| 2007 | 9,525,040 | 31% | 135,936 | 96,282 |
| 2008 | 10,600,732 | 11% | 146,020 | 102,019 |
| 2009 | 11,635,872 | 10% | 148,437 | 106,285 |
| YTD 2010 | 12,110,173 | 7% | 160,168 | 124,514 |

Shaded areas represent prior recessionary periods

Shareholder Return



Historic valuation (share price and book value per share*)

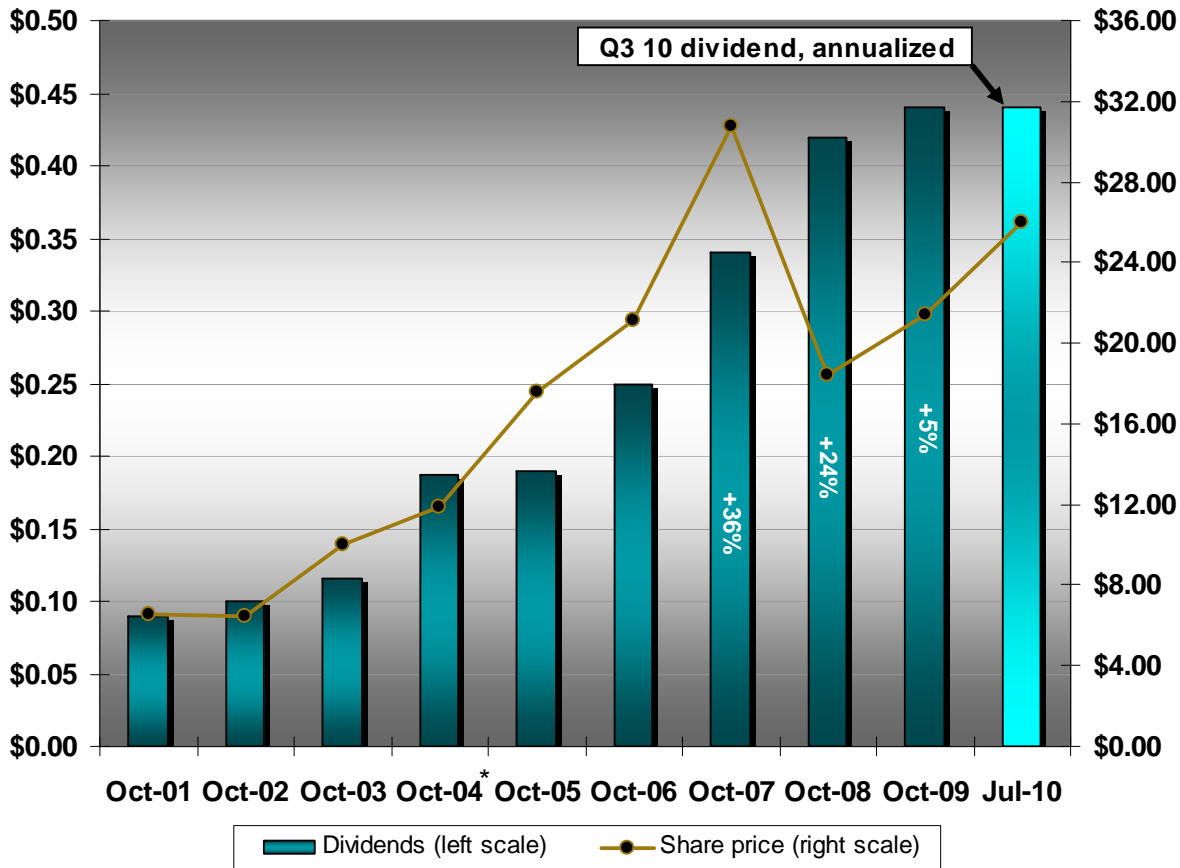


* Values adjusted to reflect 2 for 1 stock dividends paid in both 2005 and 2007

Shareholder Return



Dividend growth



Dividend increases:

- June 2008 (+10%)
- December 2007 (+11%)
- June 2007 (+13%)
- December 2006 (+14%)
- September 2006 (+17%)
- December 2005 (+20%)

Dividend payout ratios:**

- Fiscal 2009: ~29%
- YTD 2010: ~19%
- Target payout range: 25-30%

* Dividends paid in 2004 appear unusually high as they included the last semi-annual dividend and three quarterly dividends

** Payout ratios represent common share dividends (including shares issued under CWB's dividend reinvestment plan (DRIP)) measured as a percentage of net income available to common shareholders

Shareholder Return



Shares outstanding (July 31, 2010)

- ❑ 66.5 million common shares (TSX: CWB)
- ❑ 14.2 million warrants (TSX: CWB.WT)
- ❑ 8.4 million preferred shares (TSX: CWB.PR.A)

Employee share purchase plan (ESPP)

- ❑ over 90% employee participation

Canadian Chartered Banks & Trust Companies - Common Shareholder Annual Total Rate of Return⁽¹⁾ Calendar Years 1990 - 2009

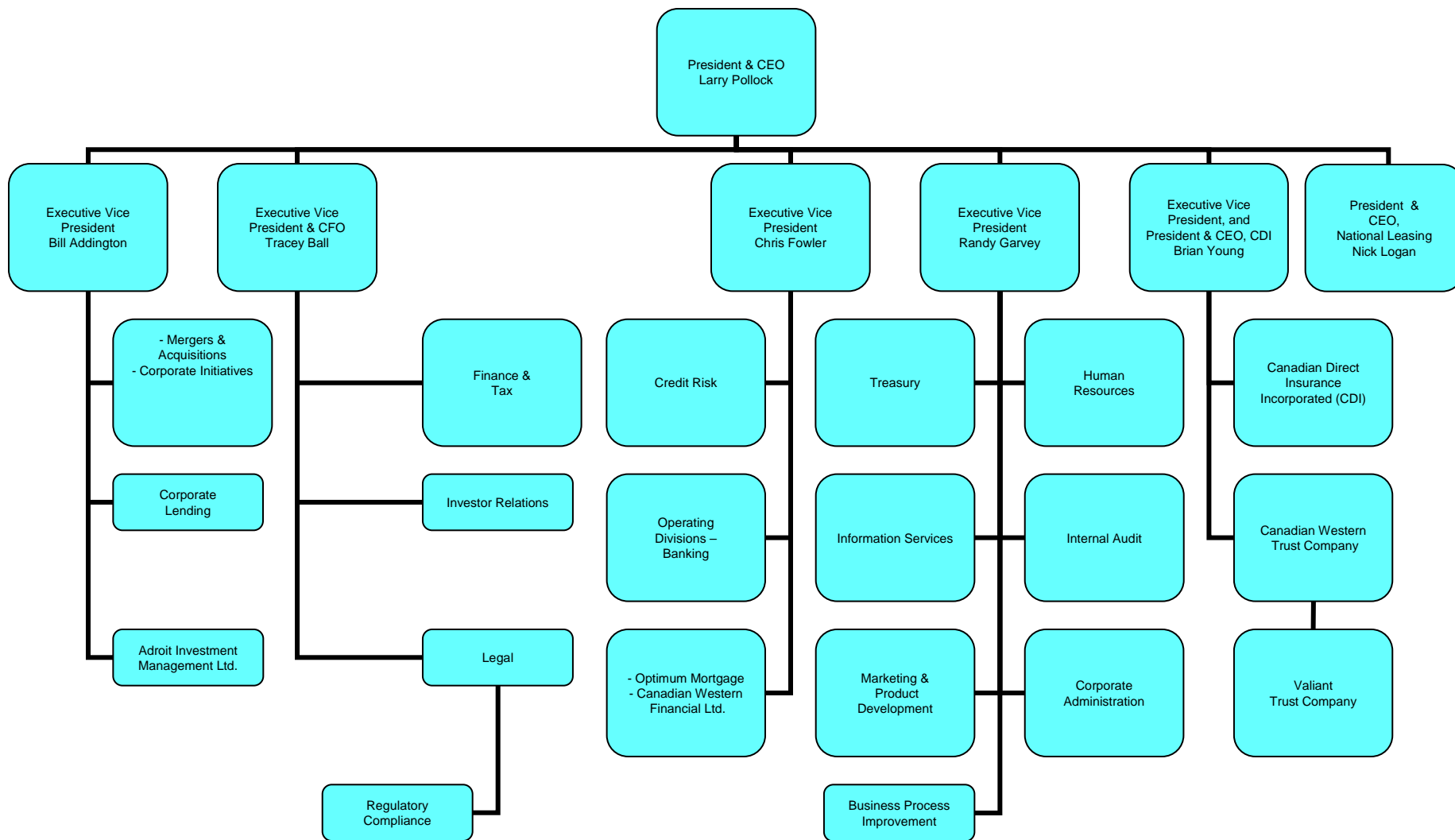
| Bank | 12/31/2009 | 1990 - 1999 | 2000 - 2009 | 1990 - 2009 | 2005 | 2006 | 2007 | 2008 | 2009 | 2005 - 2009 |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| Royal Bank | \$56.40 | 13.9% | 17.3% | 15.6% | 45.9% | 26.0% | -5.5% | -25.9% | 63.7% | 16.1% |
| CIBC | \$68.15 | 12.3% | 11.2% | 11.7% | 9.7% | 32.9% | -25.6% | -23.1% | 41.6% | 3.4% |
| Bank of Montreal | \$55.85 | 16.9% | 12.8% | 14.8% | 16.3% | 9.8% | -15.0% | -41.3% | 91.3% | 4.0% |
| Scotiabank | \$49.22 | 19.3% | 16.1% | 17.7% | 17.0% | 16.7% | -0.1% | -31.6% | 57.2% | 8.0% |
| TD Bank | \$65.96 | 18.5% | 8.8% | 13.5% | 26.1% | 16.6% | 2.8% | -35.1% | 59.2% | 9.3% |
| National Bank | \$60.24 | 9.4% | 16.7% | 13.0% | 25.6% | 12.8% | -17.3% | -36.6% | 101.8% | 8.4% |
| Laurentian Bank | \$42.75 | 4.7% | 13.5% | 9.0% | 47.1% | -7.7% | 13.6% | 7.3% | 28.9% | 16.4% |
| Canadian Western Bank | \$21.94 | 17.8% | 18.6% | 18.2% | 36.5% | 49.2% | 20.3% | -59.6% | 82.2% | 12.5% |
| S&P/TSX Bank Index | 1,856 | 15.5% | 13.8% | 14.6% | 24.9% | 20.0% | -7.0% | -31.3% | 62.6% | 9.3% |
| S&P/TSX Composite Index ⁽²⁾ | 11,746 | 10.6% | 5.6% | 8.1% | 24.1% | 17.3% | 9.8% | -33.0% | 35.1% | 7.7% |

⁽¹⁾ Dividends reinvested quarterly at quarter end price

⁽²⁾ Effective December 16, 2005, 69 income trusts were included in the S&P/TSX Composite Index at 50% weight

Source: FAME, Bloomberg, BMO Capital Markets

CWB Group – Corporate Structure



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