

Canadian Western Bank Group

First Quarter 2011

Corporate Presentation



Forward-looking Statements

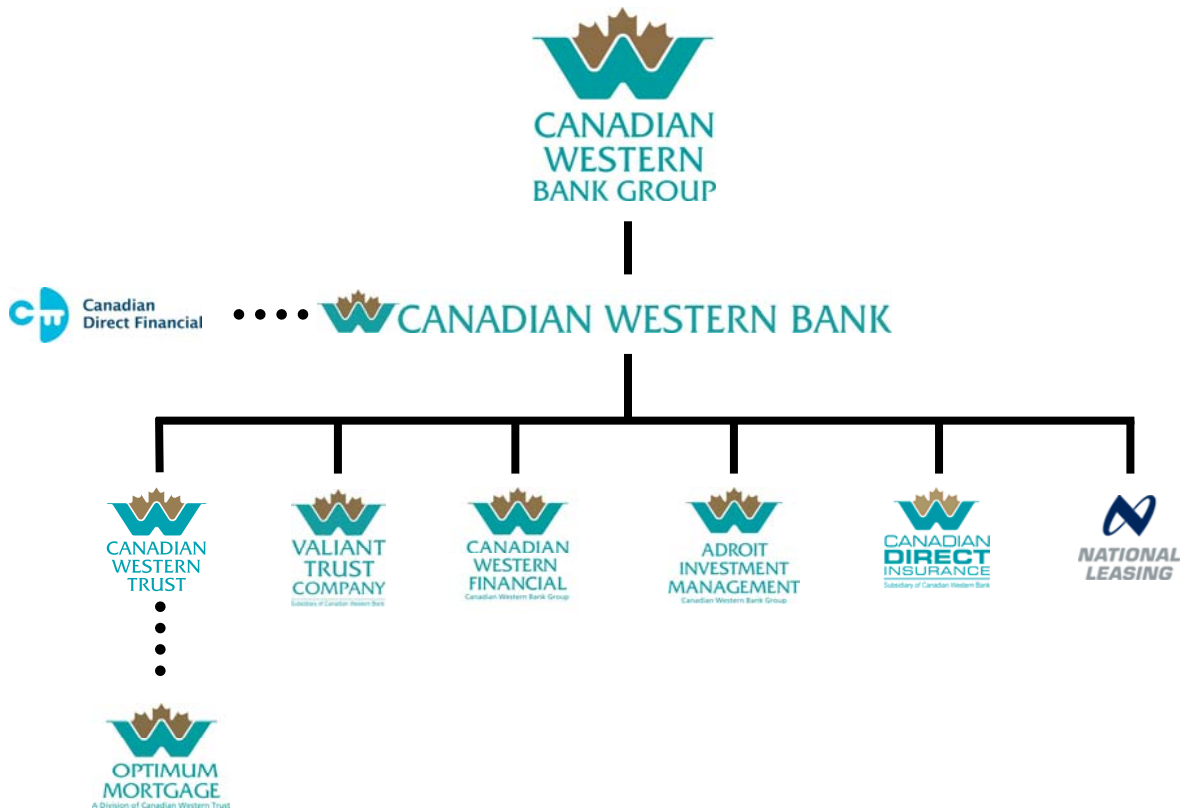
From time to time, Canadian Western Bank (the Bank) makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases 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 2011 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 2011, management's assumptions included: moderate economic growth in Canada aided by positive relative performance in the four western provinces; relatively stable energy and other commodity prices; sound credit quality with actual losses remaining within the Bank's historical range of acceptable levels, including consideration for National Leasing; modest inflationary pressures and gradual increases in the prime lending interest rate beginning in early-to-mid calendar year 2011; and, a relatively stable net interest margin supported by a low deposit cost environment, favourable yields on both new lending facilities and renewed accounts, and relatively stable investment returns reflecting high quality assets held in the securities portfolio. There was elevated political tension in the Middle East at the end of the first quarter that could impact the global economic recovery and lead to higher than expected prices in energy-related commodities.

CANADIAN WESTERN BANK GROUP



Lines of Business

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

Bank – 39 branches (+equipment leasing)

Trust – 8 locations

Insurance – 2 service centres

Wealth management – 1 location

**91 Consecutive Profitable Quarters,
Almost 23 Years**

STRATEGIC PRIORITIES – FOCUS 2011

- **Maintain disciplined underwriting and secured lending practices**
- **Evaluate opportunities to deploy capital (loan growth & acquisitions)**
- **Invest in people/infrastructure/technology to support growth and improve efficiency**
 - Expand branch network (target of 50 CWB branches by 2015)
 - Enhance and diversify base of core retail deposits
- **Further develop and grow subsidiaries with a focus on increasing sources of both net interest income and non-interest income**
 - Small and mid-ticket leasing
 - Residential mortgages
 - Trust services
 - Insurance
 - Wealth management

PERFORMANCE OBJECTIVES 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 income contributions from all CWB subsidiaries

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

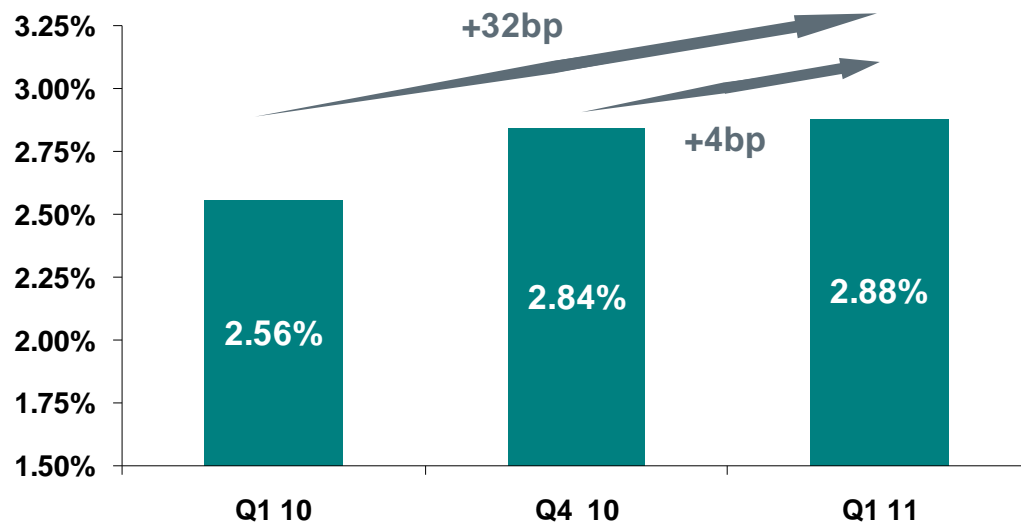
Increase industry and geographic diversification (specific business units)

FINANCIAL HIGHLIGHTS

Financial Performance – First Quarter 2011

(\$ thousands)	Q1 11	Q1 10	Change
Net Income – Banking & trust	\$ 41,419	\$ 36,690	13 %
– Insurance	2,533	3,345	(24)
Diluted earnings per share	0.54	0.52	4

Net Interest Margin (teb)



Total Quarterly Net Income



2011 MINIMUM TARGETS & PERFORMANCE

	2011 Minimum Target	2011 Year-to-date Performance ⁽¹⁾
Net income growth ⁽²⁾	6%	10%
Net income growth before taxes ⁽³⁾	10%	7%
Total revenue growth (teb)	12%	21%
Loan growth	10%	17%
Provision for credit losses	0.20% – 0.25%	0.23%
Efficiency ratio (teb)	46%	45.2%
Return on common equity ⁽⁴⁾	15%	16.4%
Return on assets ⁽⁵⁾	1.20%	1.24%

(1) 2011 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) Net income before income taxes (teb), non-controlling interest in subsidiary and preferred share dividends. (4) Return on common equity calculated as annualized net income after preferred share dividends divided by average common shareholders' equity. (5) Return on assets calculated as annualized net income after preferred share dividends divided by average total assets.

- **Very strong performance early in the year has CWB well positioned to meet or surpass all fiscal 2011 targets**

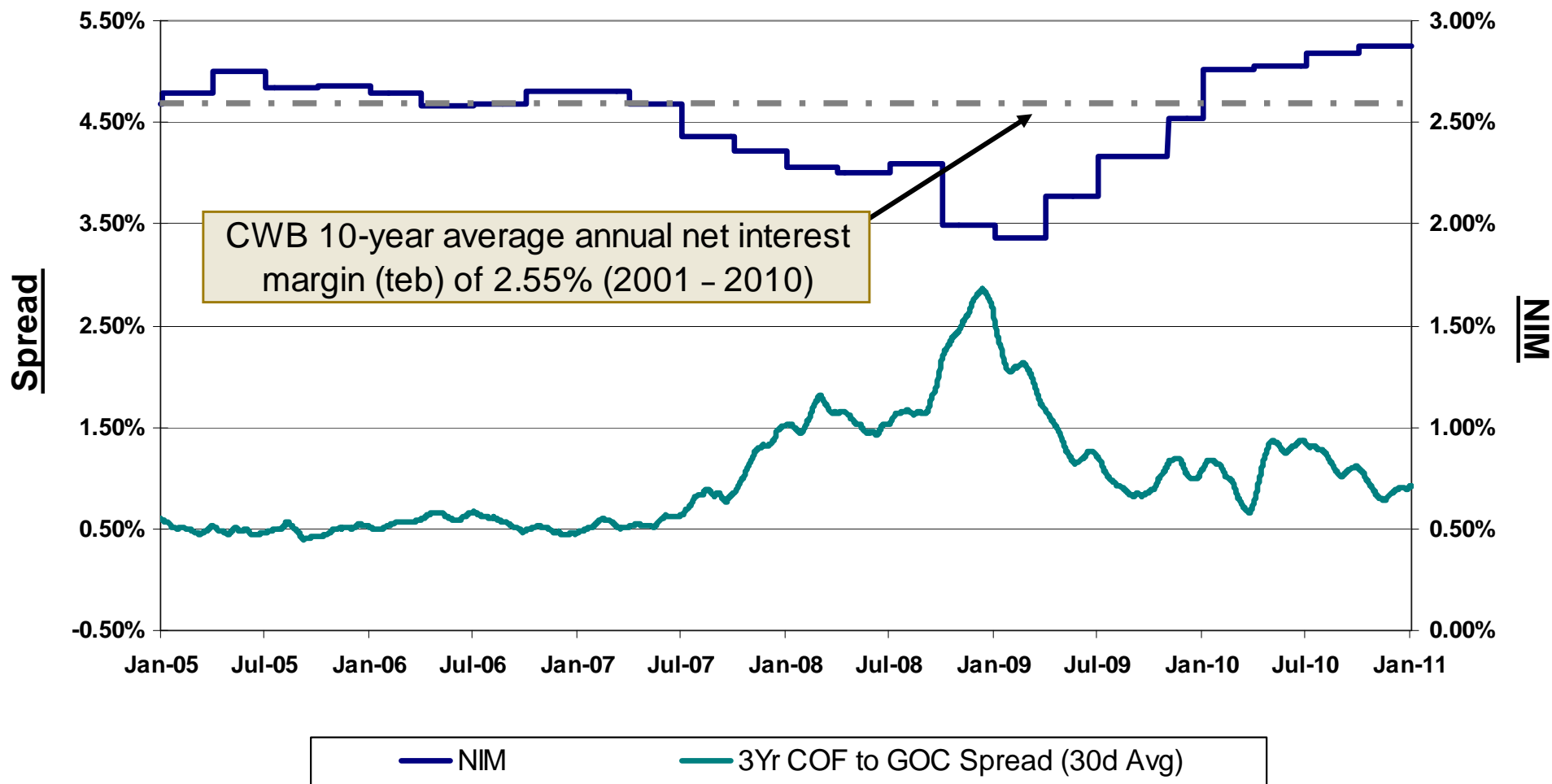
FINANCIAL PERFORMANCE – HISTORY

Year	Total Assets (\$ millions)	% Asset Growth	Net Income Before Taxes (\$ thousands)
Starting in 1984	\$31		
1984	\$50	61%	1,352
1985	\$106	113%	2,408
1986	\$131	23%	540
1987	\$134	3%	546
1988	\$277	106%	-2,336
1989	\$341	23%	1,727
1990	\$418	22%	1,444
1991	\$486	16%	1,309
1992	\$543	12%	1,346
1993	\$598	10%	1,884
1994	\$706	18%	5,078
1995	\$1,331	89%	11,147
1996	\$1,754	32%	13,953
1997	\$2,023	15%	16,253
1998	\$2,386	18%	20,393
1999	\$2,692	13%	26,270
2000	\$3,060	14%	35,435
2001	\$3,440	12%	46,582
2002	\$3,828	11%	45,716
2003	\$4,344	13%	59,823
2004	\$4,919	13%	63,647
2005	\$5,705	16%	81,385
2006	\$7,268	27%	105,443
2007	\$9,525	31%	135,936
2008	\$10,601	11%	146,020
2009	\$11,636	10%	148,437
2010	\$12,702	9%	211,180

Shaded areas represent prior recessionary periods

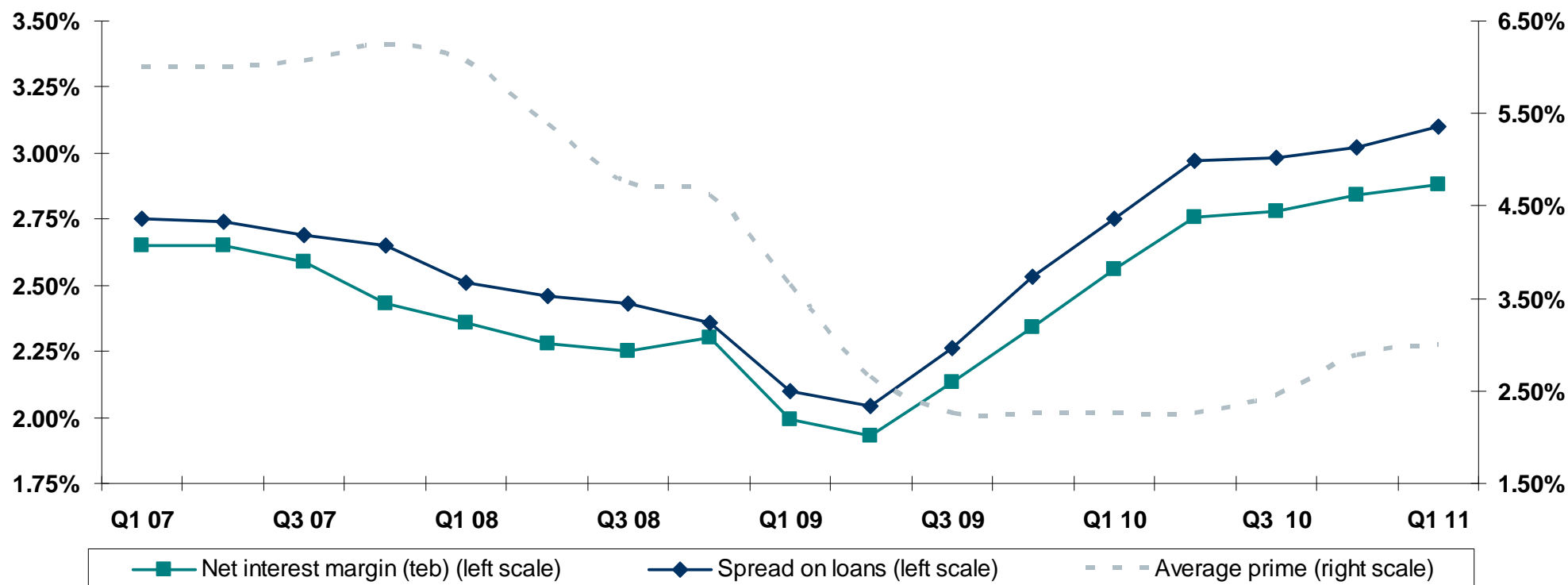
FINANCIAL PERFORMANCE – MARGIN

Net Interest Margin (NIM) vs. CWB Cost of Funds (COF) (spread over 3 year GOC bond)



FINANCIAL PERFORMANCE – MARGIN

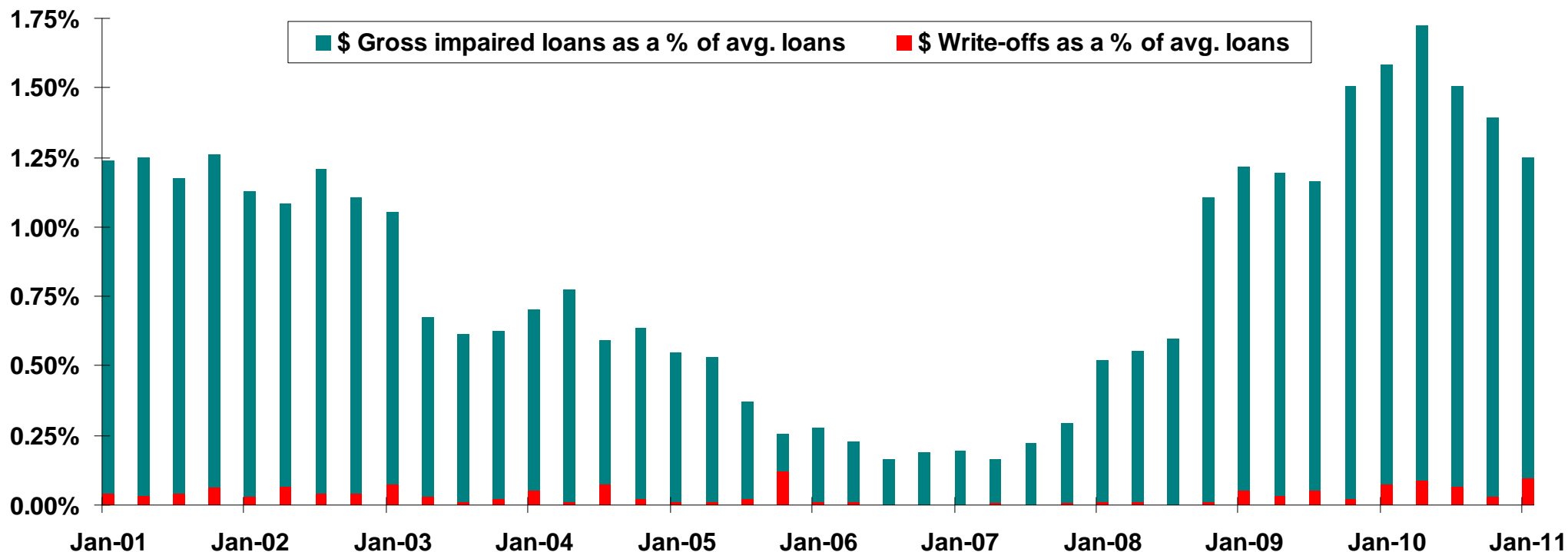
Net Interest Margin (teb) & Spread on Loans



- Net interest margin (teb) improvement compared to Q1 10 mainly reflects higher yields on fixed-rate loans (augmented by National Leasing), reduced deposit costs and lower liquidity
- Based on management’s assessment of competitive and other factors, a meaningful improvement in net interest margin compared to the level achieved in Q1 11 is unlikely

FINANCIAL PERFORMANCE – CREDIT

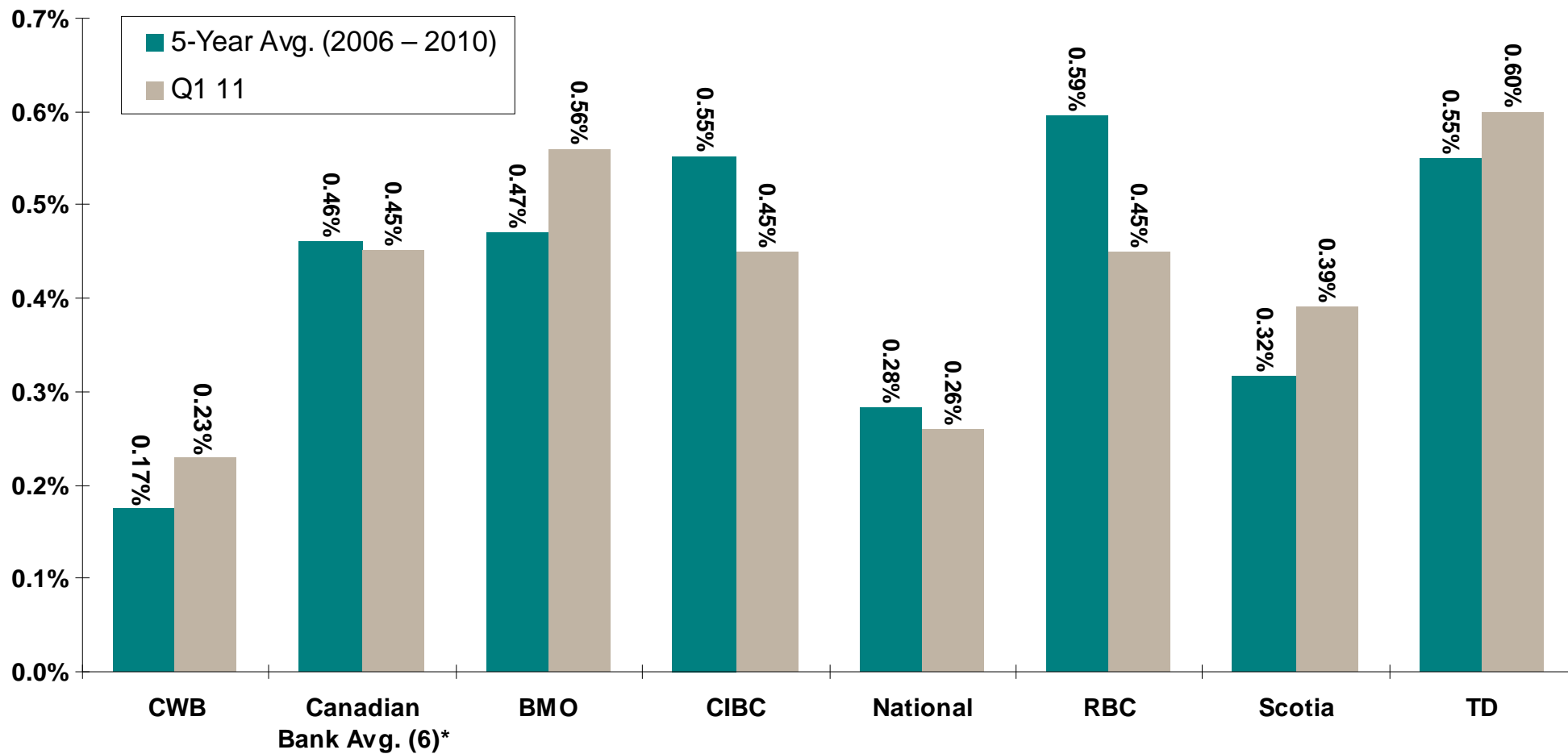
Gross Impaired Loans & Write-offs (as a percentage of average loans)



- Currently in the latter stages of the credit cycle, as evidenced by consecutive reductions in the level of gross impaired loans compared to Q2 10
- Actual credit losses expected to remain at acceptable levels relative to historical experience (reflects disciplined underwriting and secured lending practices)

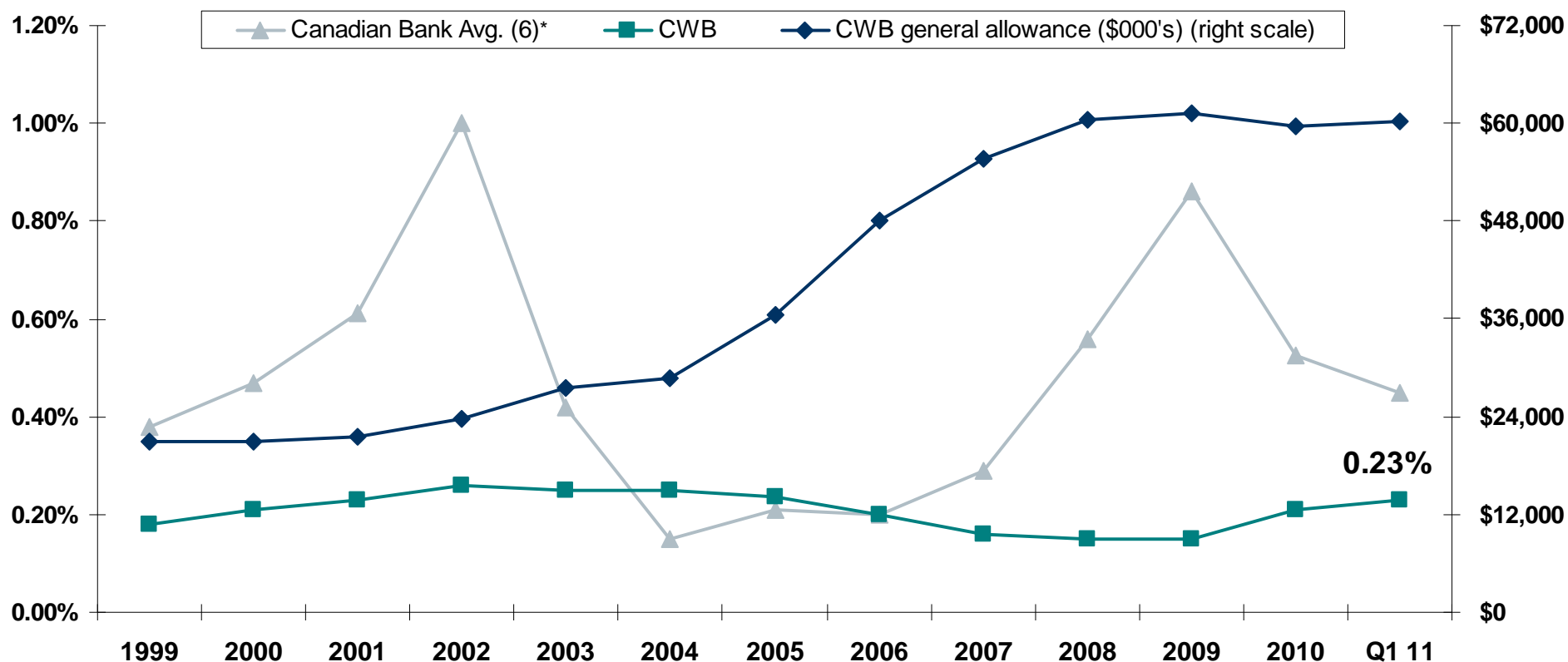
FINANCIAL PERFORMANCE – CREDIT

Annual Provision for Credit Losses (as a percentage of average loans)



FINANCIAL PERFORMANCE – CREDIT

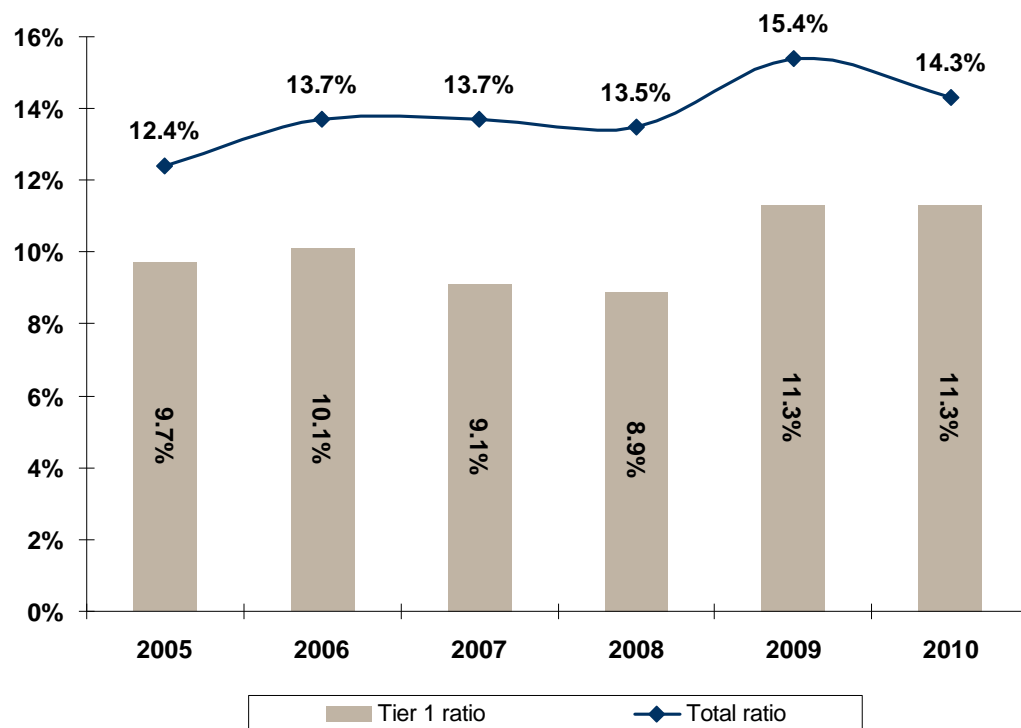
Provision for Credit Losses (as a percentage of average loans)



- The provision for credit losses going forward is expected to represent 20 to 25 basis points of average loans, including the impact of higher inherent losses in the portfolio of National Leasing (overall earnings impact more than offset by comparatively higher yields on National Leasing's assets)

FINANCIAL PERFORMANCE – CAPITAL RATIOS

CWB Historical Capital Ratios



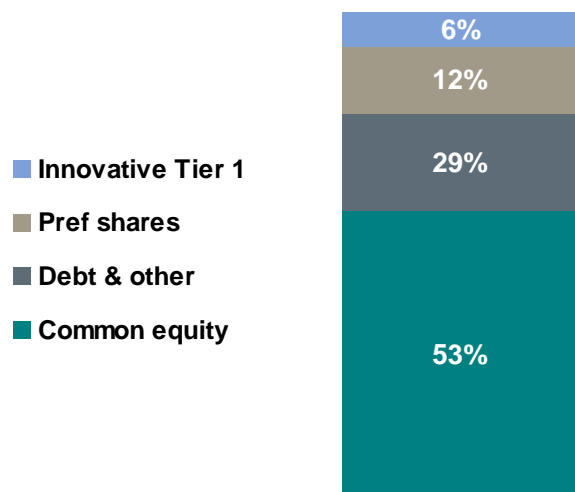
Compared to Peers (Q1 11)

	(Basel II)	
	<u>Tier 1</u>	<u>Total</u>
BMO	13.0%	15.2%
CIBC	14.3%	18.4%
CWB	11.6%	16.5%
National	14.6%	18.1%
RBC	13.2%	15.3%
Scotia	11.8%	13.7%
TD	12.7%	16.2%

- **Straightforward capital structure, including a strong base of tangible common equity**
- **Well positioned to manage expected changes under new regulatory capital framework known as Basel III (pro forma Basel III ratios to be disclosed in Q2 11)**

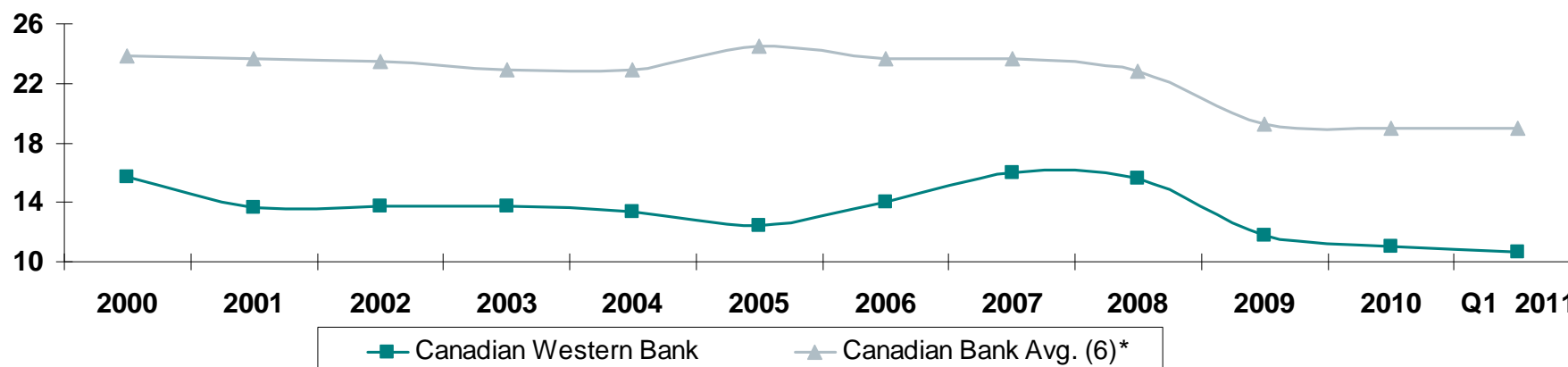
FINANCIAL PERFORMANCE – CAPITAL & LEVERAGE

Regulatory Capital Structure (as at January 31, 2011)



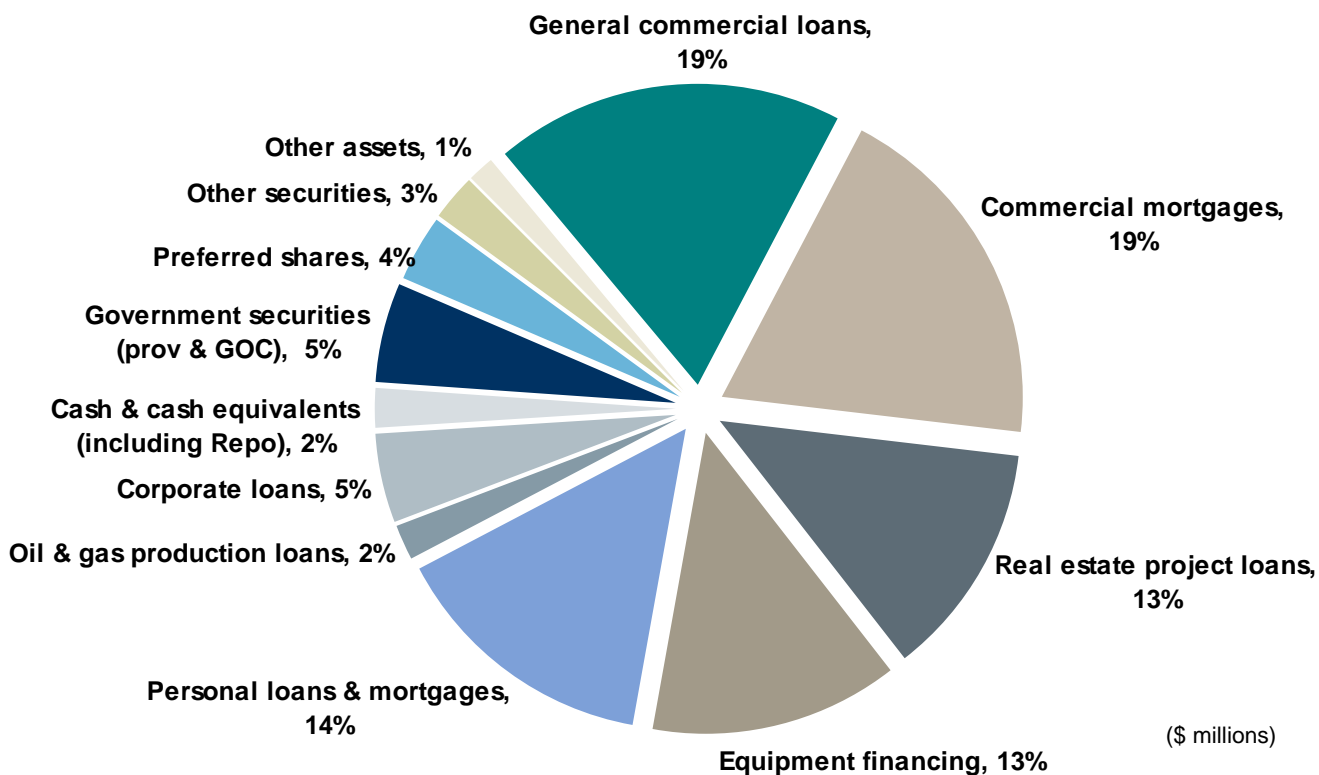
	CWB	Current Regulatory Minimum
Tangible Common Equity	8.9 %	—
Tier 1 Capital	11.6	7.0 %
Total Capital	16.5	10.0

Low Leverage (total assets-to-equity)

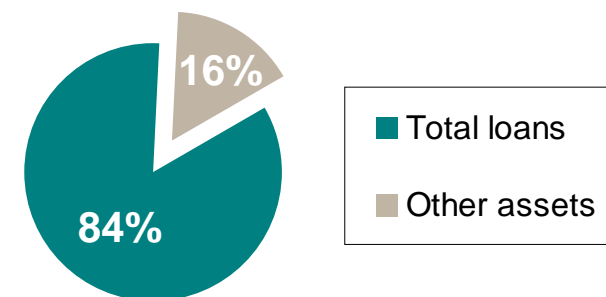


FINANCIAL PERFORMANCE – ASSETS

Composition of Assets (as at January 31, 2011)



Total Assets



Loans by Lending Sector*

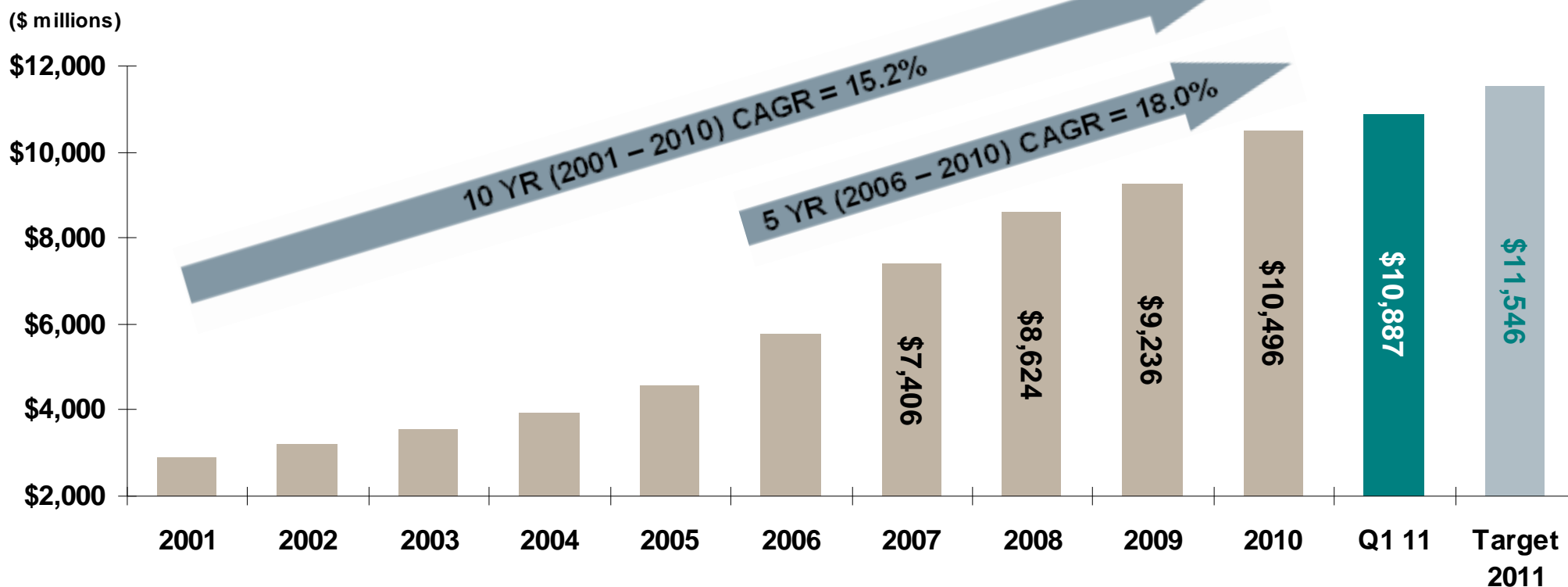
(\$ millions)

	Q1 11	Q4 10	Change from Q4 2010	
			\$	%
Commercial mortgages	\$ 2,471	\$ 2,458	\$ 13	1%
General commercial	2,424	2,197	227	10
Real estate project loans	1,637	1,576	61	4
Personal loans & mortgages	1,858	1,794	64	4
Equipment financing	1,696	1,624	72	4
Corporate loans	598	660	(62)	(9)
Oil & gas production	278	266	12	5
Total Outstanding Loans	\$ 10,962	\$ 10,575	\$ 387	4%

*Loans by lending sector exclude the allowance for credit losses

FINANCIAL PERFORMANCE – ASSETS (LOAN GROWTH)

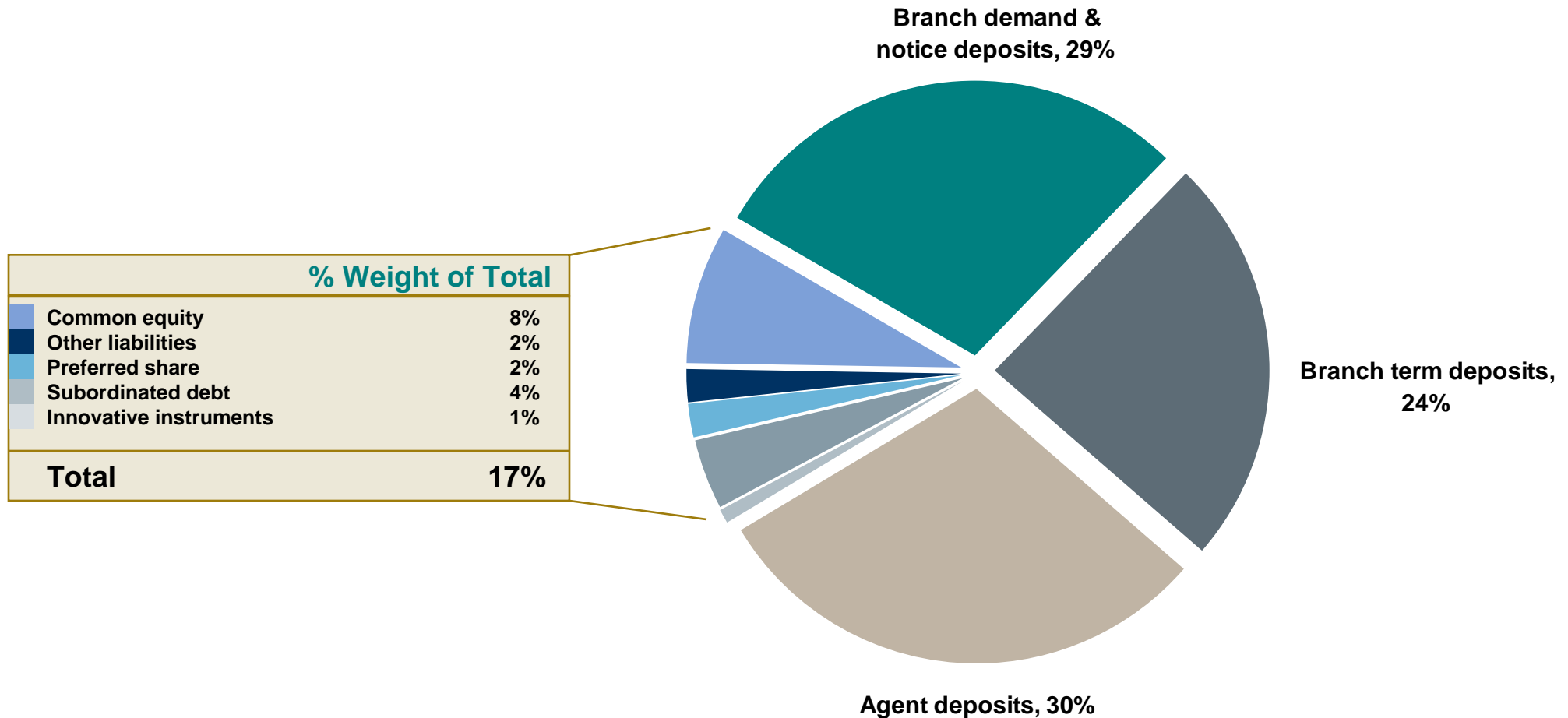
Total Loans Outstanding (\$ millions)



- Total loans grew 4% (\$390 million) in Q1 11 and 17% (\$1,605 million) in the past twelve months (includes the on-balance sheet growth contribution from National Leasing)
- Very strong quarterly loan growth reflects good results across all lending sectors; ongoing strong volume in the pipeline for new loans is consistent with increased business optimism and an improved economic outlook

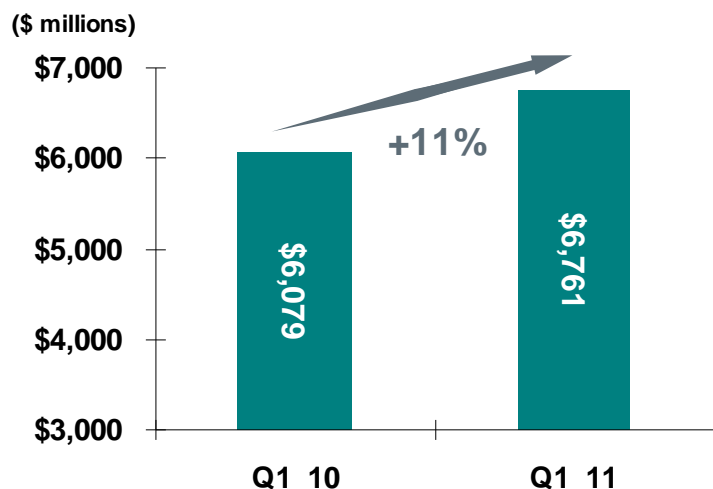
FINANCIAL PERFORMANCE – FUNDING SOURCES

Composition of Liabilities & Equity (as at January 31, 2011)

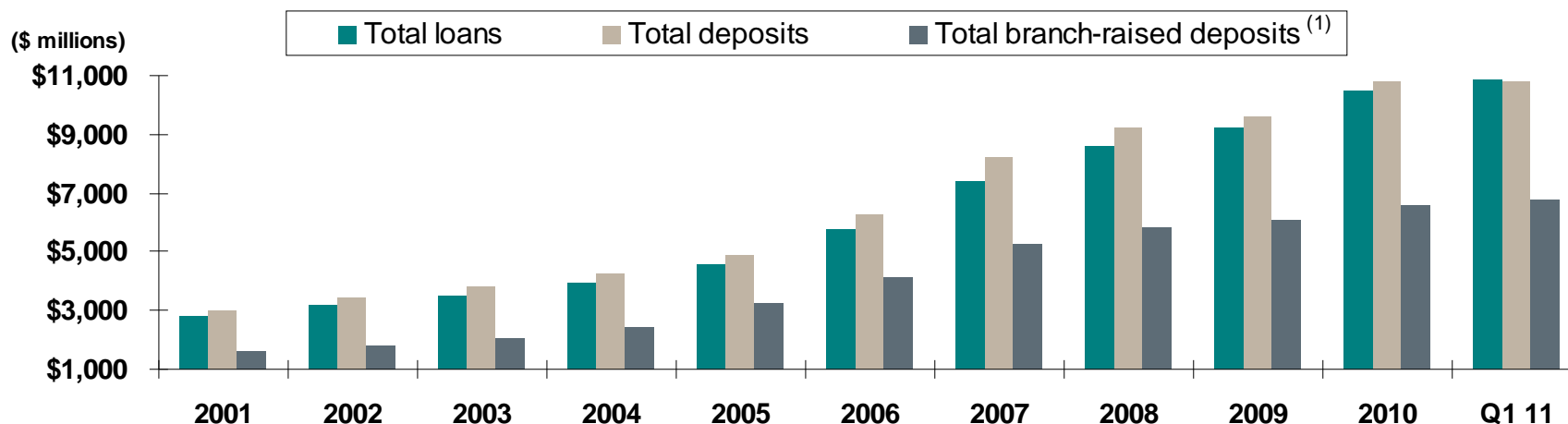
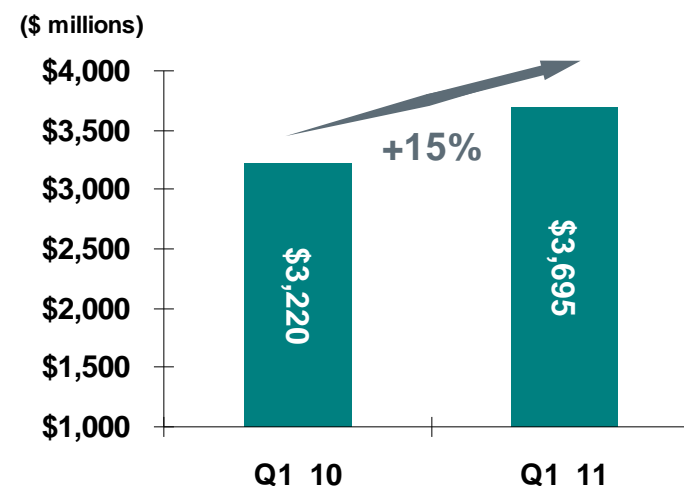


FINANCIAL PERFORMANCE – FUNDING SOURCES

Total Branch-raised Deposits ⁽¹⁾



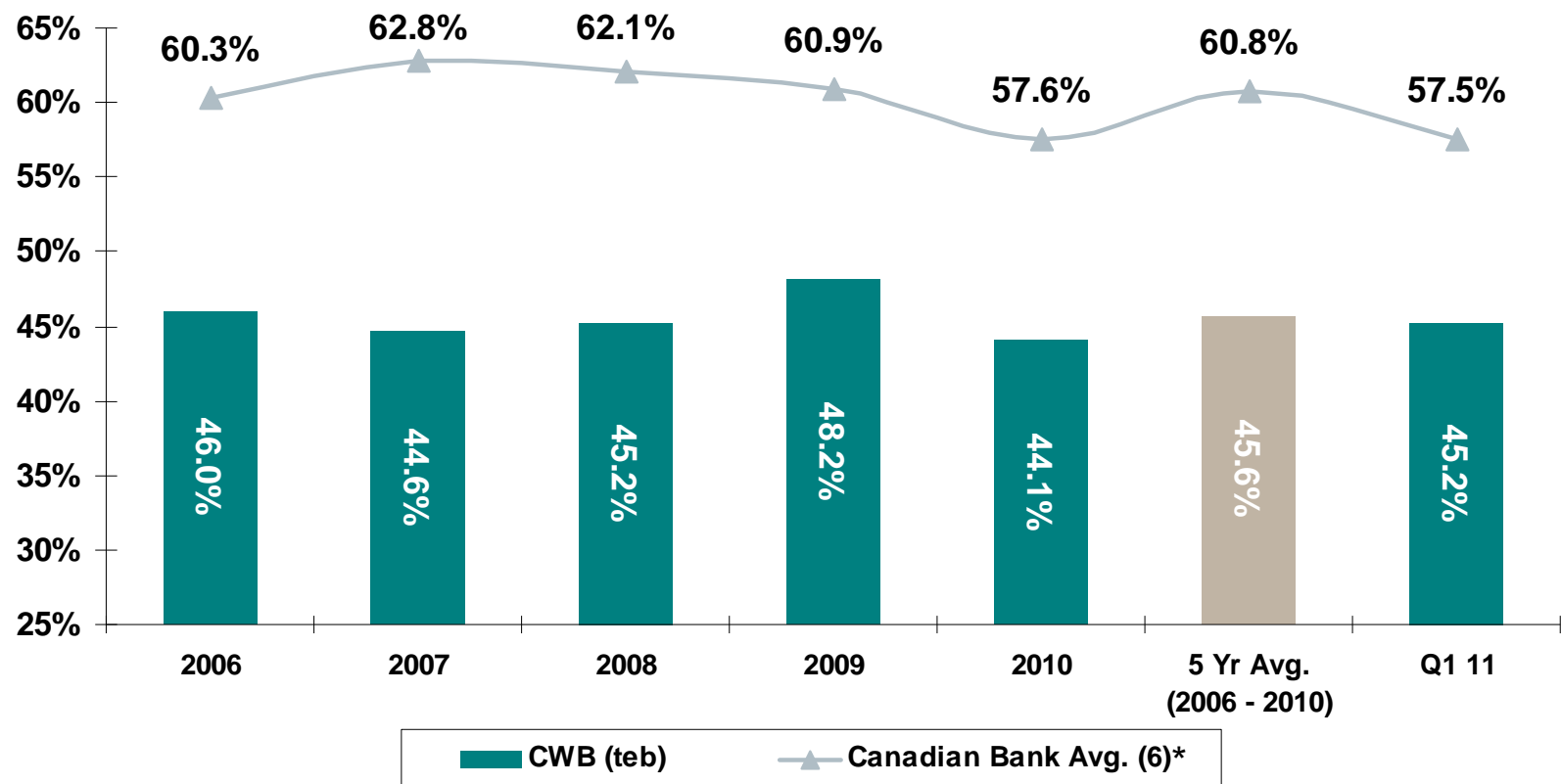
Total Demand and Notice Deposits



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

FINANCIAL PERFORMANCE – EFFICIENCY

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

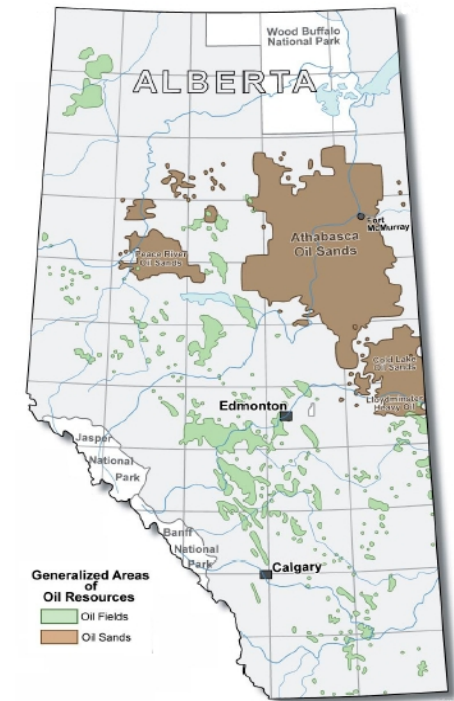
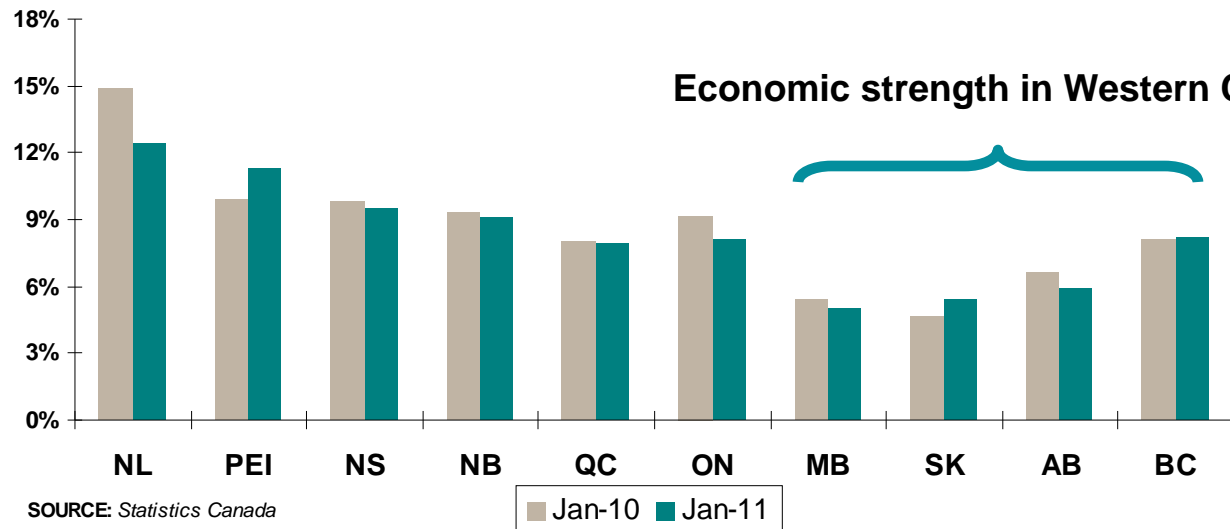


➤ **Exceptional efficiency relative to the six largest Canadian banks – demonstrated ability to effectively control costs while maintaining expenditures necessary to support sustained growth**

ECONOMIC OUTLOOK

- Canada's economic fundamentals support expectations for moderate growth in 2011
- Western Canada expected to perform well relative to the rest of Canada
 - strong resource-based economies

Provincial Unemployment Rates (seasonally adjusted)



INFRASTRUCTURE

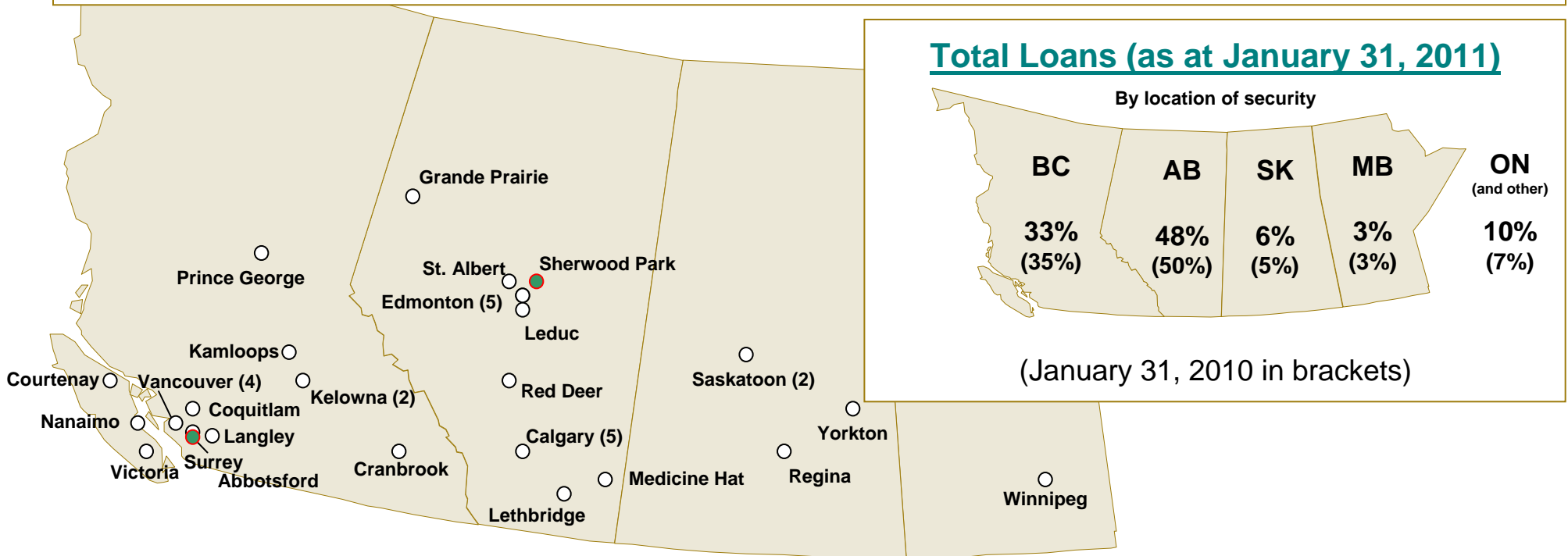
Banking branches – across Western Canada

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

Trust services offices – Vancouver, Calgary, Edmonton, Toronto

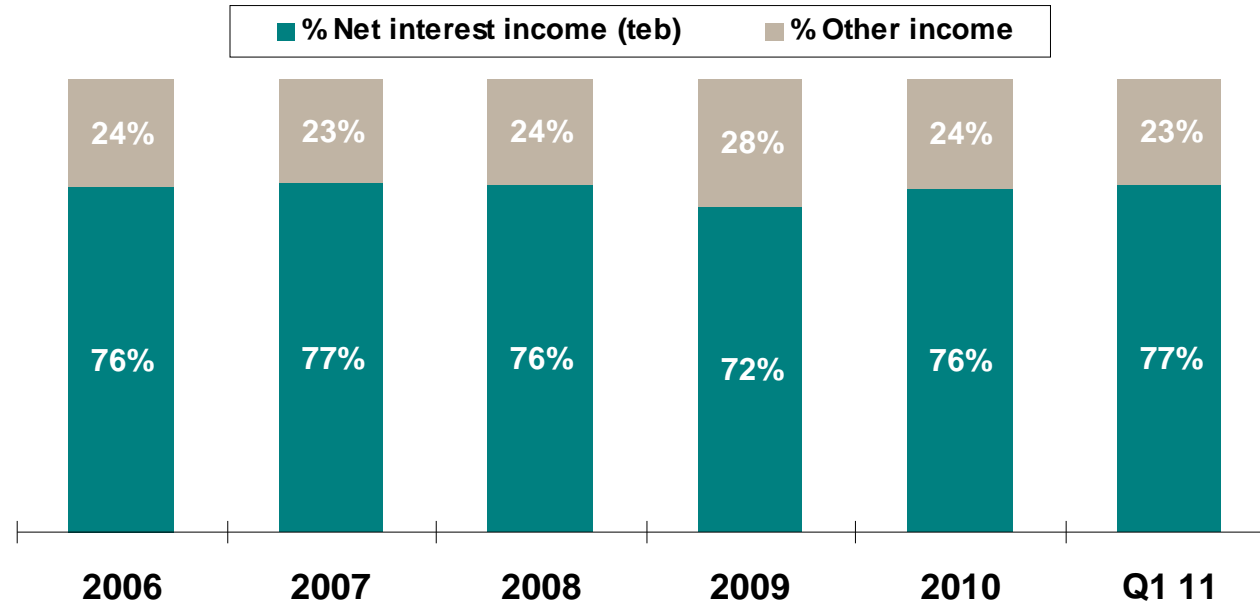
Insurance call centres – Vancouver, Edmonton

Wealth management office – Edmonton

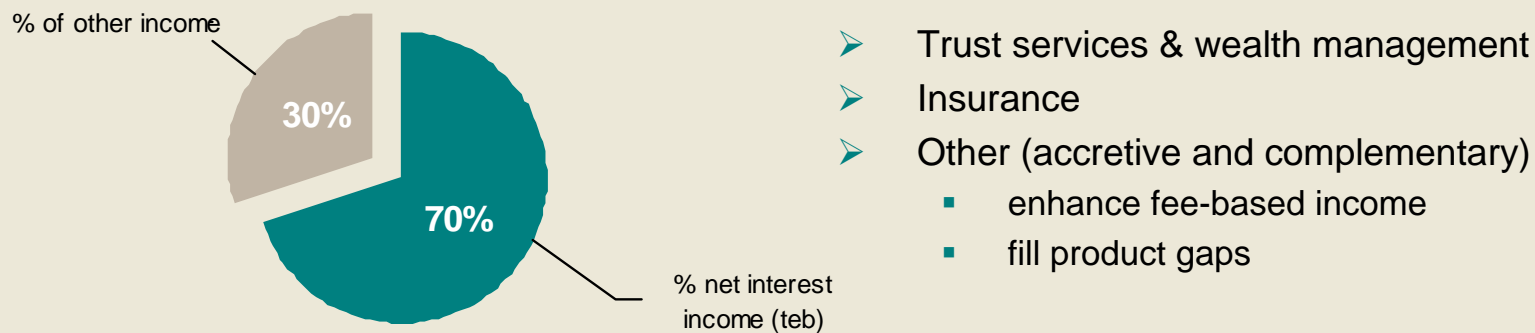


● New full-service branches in Surrey, BC & Sherwood Park, AB opened in Q4 10

COMPOSITION OF INCOME



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



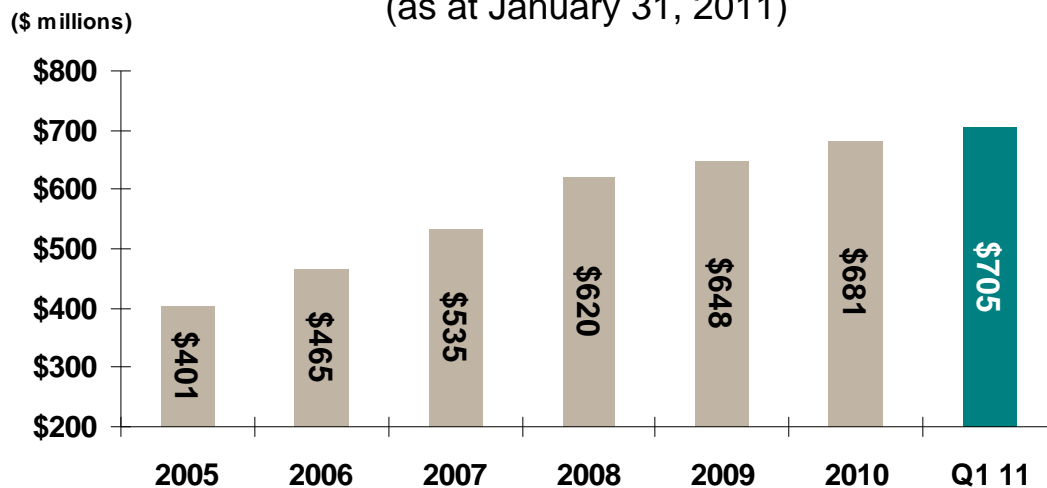
BUSINESS DIVERSIFICATION

National Leasing – Industry Leader in Small-Ticket Equipment Leasing

- **Acquired February 1st, 2010**
- **Strong management team and ~300 employees**
- **Long history of strong performance (30+ years in business)**
 - over 58,000 active leases providing diversification by geography, industry and equipment type
 - established presence across Canada
 - synergies with existing banking/lending operations (funding, growth, technology)
- **Much higher yields compared to the Bank's core lending business; partially offset by an increased provision for credit losses**

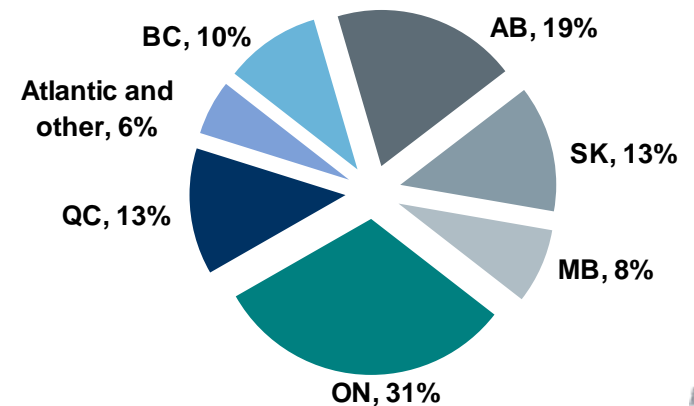
Total Leases (including securitized portfolios)

(as at January 31, 2011)



Provincial Breakdown of Leases

(as at January 31, 2011)



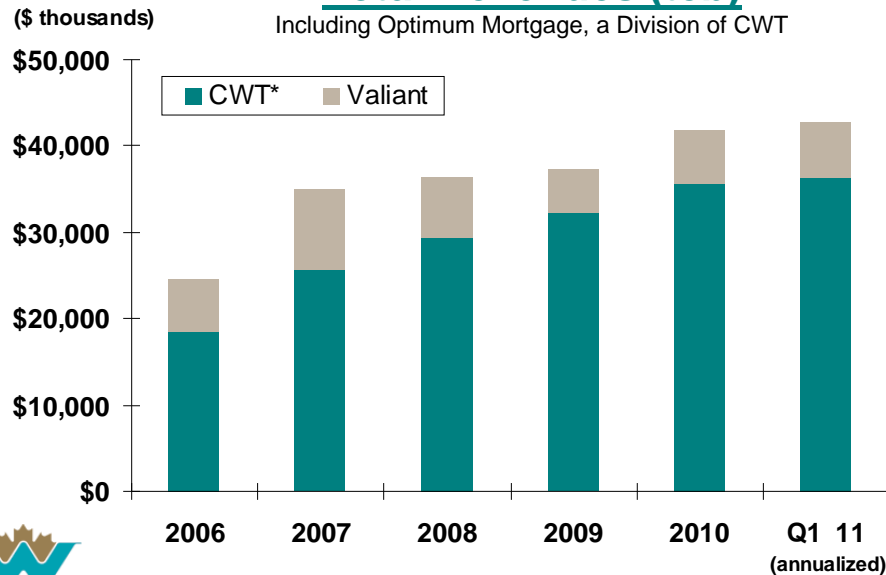
BUSINESS DIVERSIFICATION

Trust Services – Canadian Western Trust (CWT) & Valiant Trust

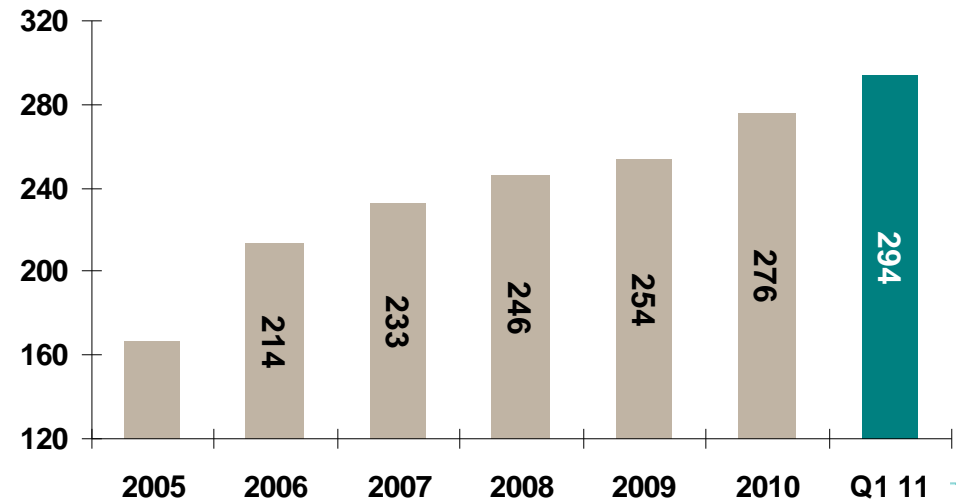
- Trust offices in Vancouver, Calgary, Edmonton and Toronto
- Trust assets under administration over \$6 billion; lower cost deposits more than \$1 billion
- 46,000+ CWT investment accounts
- Scalable growth opportunities that support both geographic and product expansion
- Stable source of fee-based revenues (less cyclical than core banking business)

Total Revenues (teb)

Including Optimum Mortgage, a Division of CWT



of Clients (Valiant Trust)



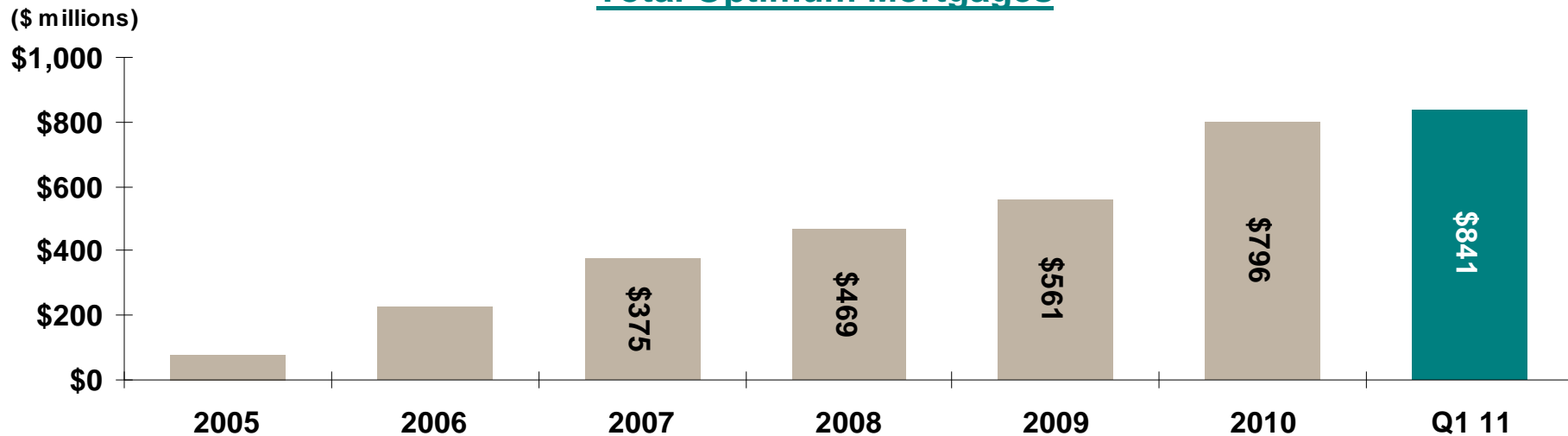
* Total revenues (teb) for CWT include net interest income plus other income, excluding changes in fair value of intercompany swaps.

BUSINESS DIVERSIFICATION

Optimum Mortgage – Residential Mortgage Lender

- Business started by CWB in 2004
- Broker-driven model providing residential mortgages across Western Canada and in select regions of Ontario
- Underwrites alternative mortgages and higher ratio insured mortgages. As at Q1 11, alternative mortgages represented ~61% of Optimum's total portfolio and carry a weighted average loan-to-value at initiation of ~70%
- Strong source of loan growth and excellent profitability (blend of fee-based income and interest revenues)
- Significant growth opportunities – business still in the early stages of realizing potential

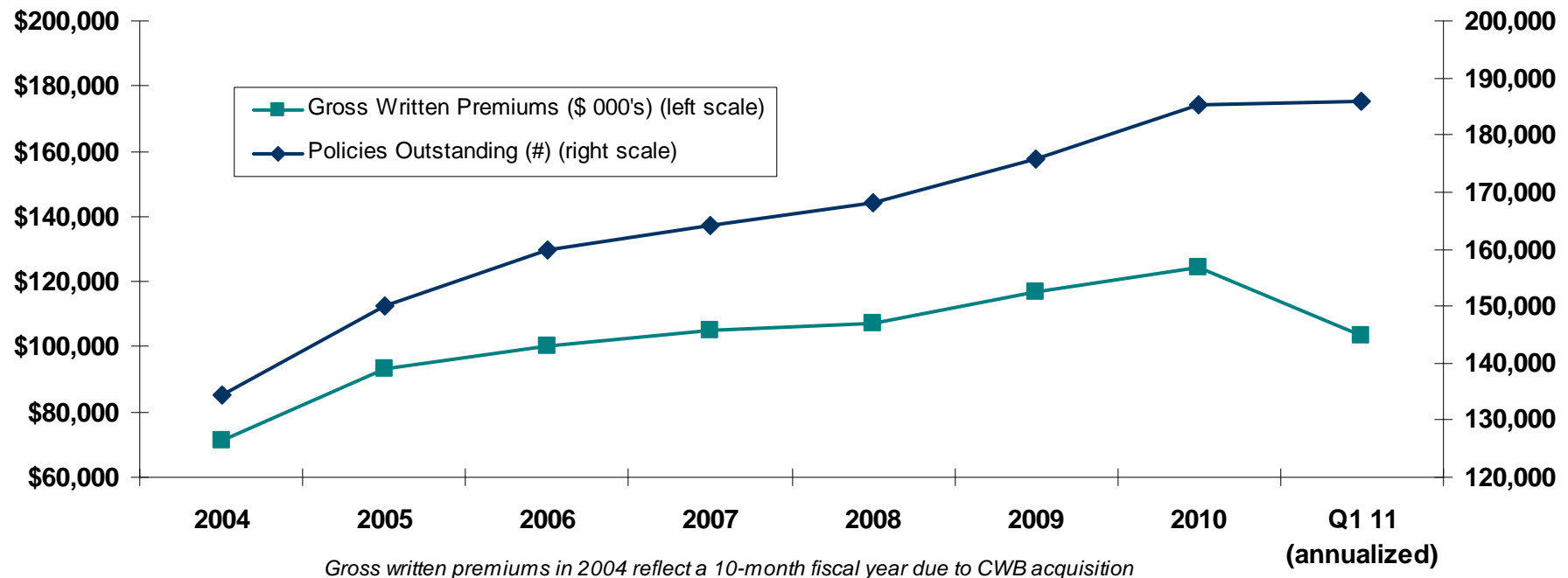
Total Optimum Mortgages



BUSINESS DIVERSIFICATION

Canadian Direct Insurance – Personal Home & Auto Insurance

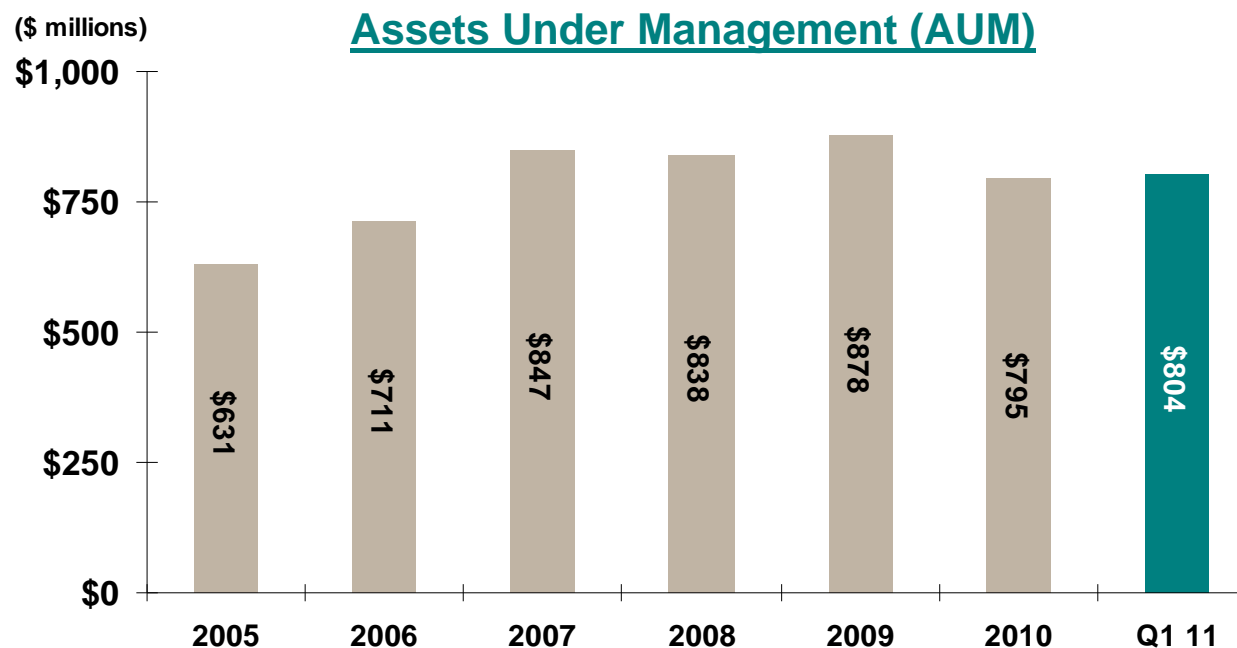
- Personal auto and home insurance in Western Canada (British Columbia and Alberta)
- Distribution of policies through telephone, internet and broker network
- Offers steady source of revenue independent of economic volatility (2006 – 2010 average combined ratio of 93%; Q1 11 combined ratio of 95%)
- Over 185,000 policies outstanding (solid growth profile)



BUSINESS DIVERSIFICATION

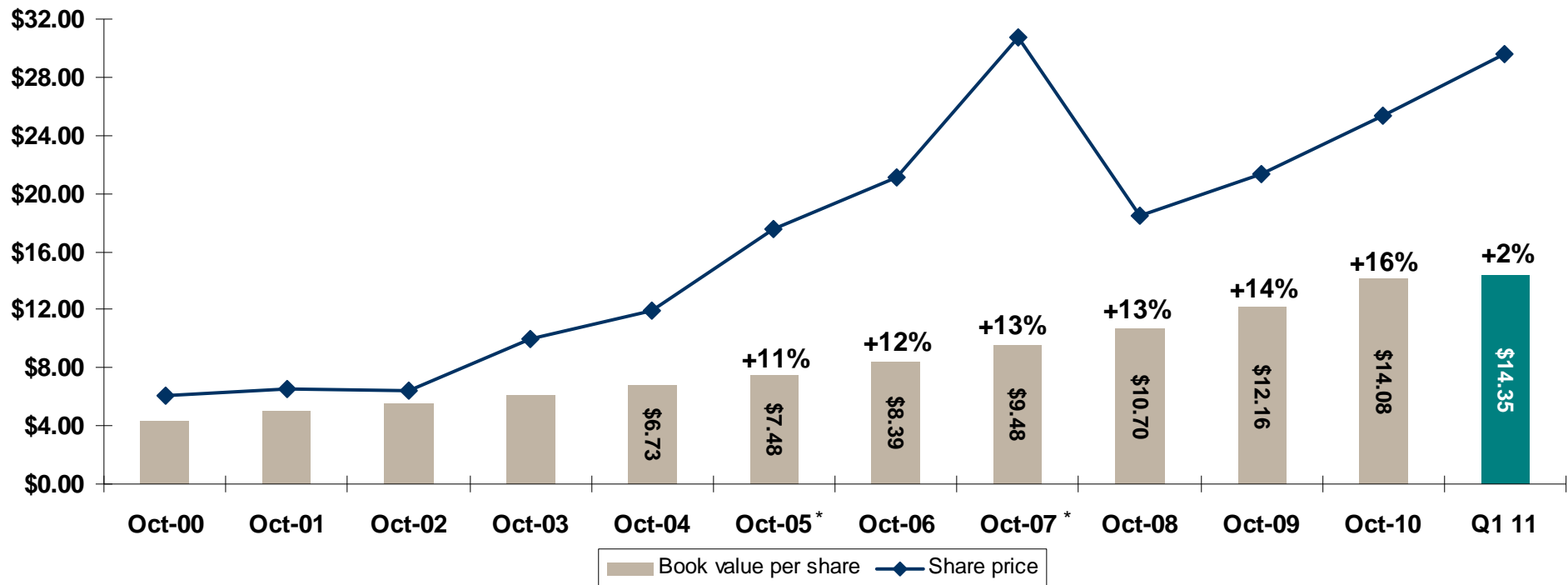
Adroit Investment Management – Wealth & Portfolio Management

- Acquired in December 2008
- Specializes in wealth and portfolio management
- Complementary business line with good growth potential – fills an important product gap for high net worth and corporate clients
 - additional synergies with banking and fiduciary trust operations
- Provides a relatively stable source of fee-based income with low capital investment



SHAREHOLDER RETURN

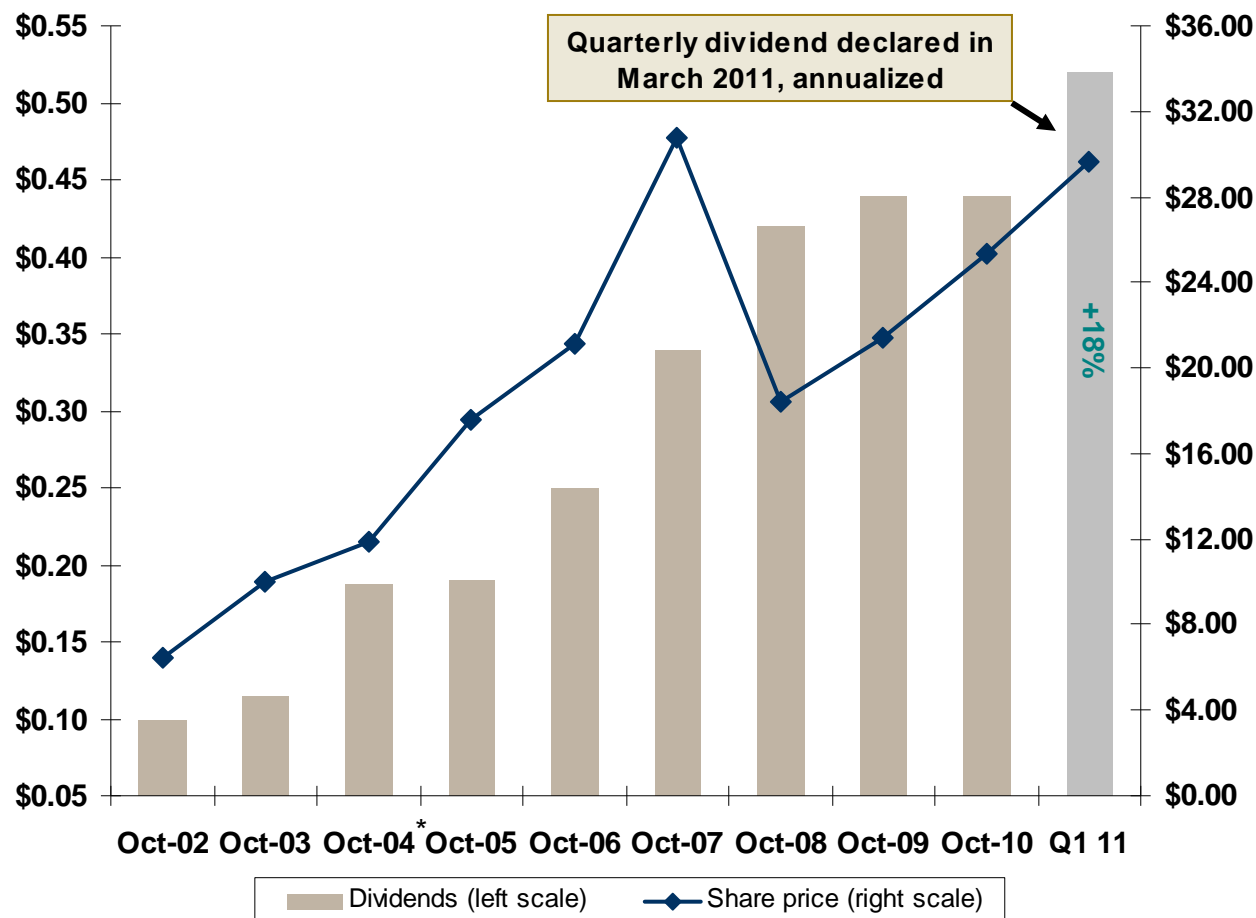
Historical Valuation (share price and book value per share*)



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

SHAREHOLDER RETURN

Dividend Growth



Dividend Increases:

December 2010	(+18%)
June 2008	(+10%)
December 2007	(+11%)
June 2007	(+13%)
December 2006	(+14%)
September 2006	(+17%)
December 2005	(+20%)

Dividend Payout Ratios:**

Fiscal 2009:	~29%
Fiscal 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 (February 25, 2011)

- 69.7 million common shares (TSX: CWB)
- 10.1 million warrants (TSX: CWB.WT)
- 8.4 million preferred shares (TSX: CWB.PR.A)

Employee Share Purchase Plan (ESPP)

- Over 94% employee participation

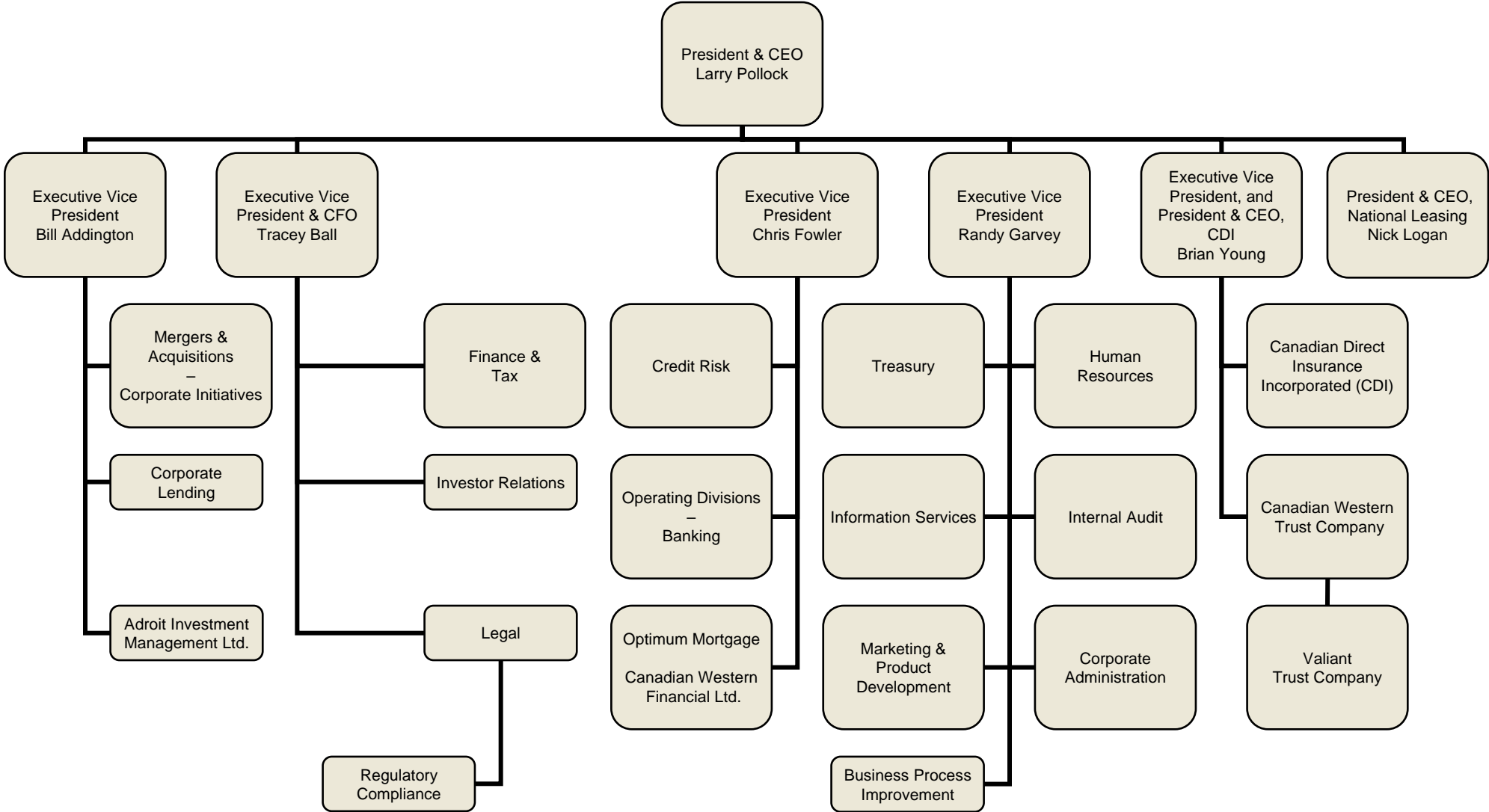
Canadian Schedule I Banks - Common Shareholder Annual Total Rate of Return⁽¹⁾ for the Calendar Years 1991 - 2010

Bank	12/31/2010	1991 - 2000	2001 - 2010	1991 - 2010	2006	2007	2008	2009	2010	2006 - 2010
Royal Bank	\$52.24	20.2%	11.2%	15.6%	26.0%	-5.5%	-25.9%	63.7%	-4.0%	6.8%
CIBC	\$78.33	17.6%	9.6%	13.6%	32.9%	-25.6%	-23.1%	41.6%	20.4%	5.3%
Bank of Montreal	\$57.48	23.2%	8.1%	15.4%	9.8%	-15.0%	-41.3%	91.3%	7.9%	2.5%
Scotiabank	\$57.10	26.1%	14.1%	20.0%	16.7%	-0.1%	-31.6%	57.2%	20.5%	8.6%
TD Bank	\$74.25	22.1%	8.9%	15.3%	16.6%	2.8%	-35.1%	59.2%	16.6%	7.6%
National Bank	\$68.52	17.7%	14.1%	15.9%	12.8%	-17.3%	-36.6%	101.8%	18.4%	7.2%
Laurentian Bank	\$48.06	12.2%	9.7%	10.9%	-7.7%	13.6%	7.3%	28.9%	16.2%	11.0%
Canadian Western Bank	\$28.36	23.2%	17.7%	20.4%	49.2%	20.3%	-59.6%	82.2%	31.7%	11.7%
S&P/TSX Bank Index	1,987	n/a	n/a	n/a	20.0%	-7.0%	-31.3%	62.6%	10.6%	6.6%
S&P/TSX Composite Index	14,137	n/a	n/a	n/a	17.3%	9.8%	-33.0%	35.1%	17.6%	6.5%

⁽¹⁾ Dividends reinvested quarterly at quarter end price

Source: Bloomberg

CWB GROUP – CORPORATE STRUCTURE



INVESTOR RELATIONS

Shareholder Inquiries

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