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Canadian Western Bank Group

Second Quarter Results Conference Call

June 2, 2011

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Canada's 10 Most Admired Corporate Cultures™ 2010

BEST EMPLOYERS IN CANADA

AGENDA

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Review of Second Quarter Results

Tracey Ball, Executive VP & CFO

- Financial Performance
- Fiscal 2011 Performance Targets
- Basel III Capital Adequacy

Outlook & Strategy

Larry Pollock, President & CEO

- Credit Performance
- Strategic Priorities

Questions & Answers

PERFORMANCE HIGHLIGHTS

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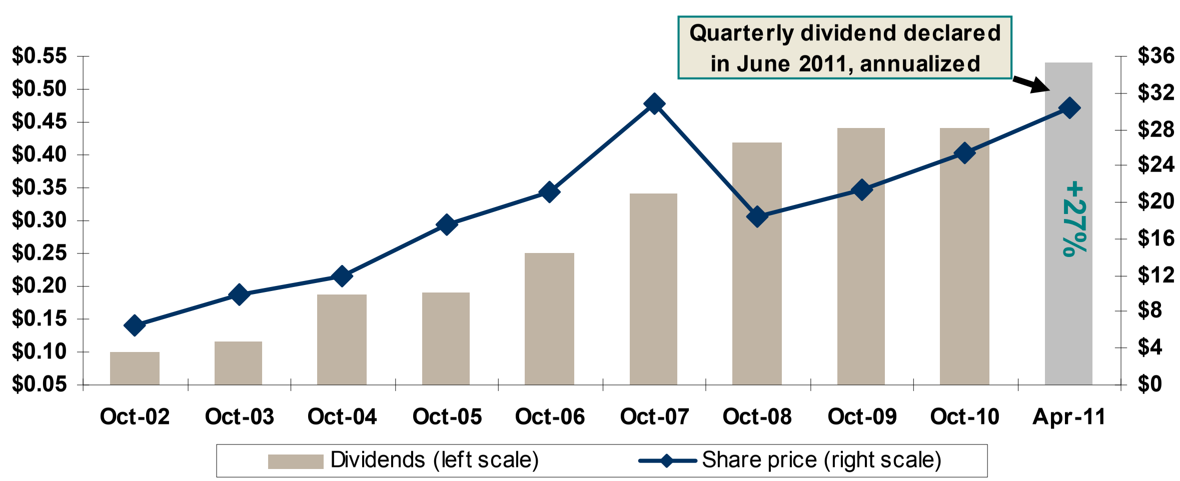
- **Strong second quarter performance (Q2-11 compared to Q2-10)**
  - Net income of $44.4 million, up 17% ($6.6 million); up 1% ($0.5 million) over Q1-11
    - 92 consecutive profitable quarters (23 years)
  - Total revenues (teb) of $121.8 million, up 10%
    - net interest income (teb) of $93.3 million, up 16%; other income of $28.5 million, down 8%
    - strong loan growth of 3% in the quarter, 7% year-to-date, 14% over the last twelve months
    - net interest margin (teb) of 2.87%, up 11 basis points; down one basis point from Q1-11
  - Diluted earnings per common share of $0.53, up 13%; down $0.01 from Q1-11
    - 7.2 million common shares issued since December 2010 upon exercise of warrants
    - 2.5 million warrants purchased and cancelled to date
    - 5.3 million warrants remain outstanding
- **Very strong capital position at April 30, 2011**
  - Tier 1 ratio of 11.8%; total capital ratio of 16.6%; tangible common equity ratio of 9.2%
- **Issued $250 million of senior deposit notes**
- **Total loans surpassed $11 billion**
  - Positive quarterly loan growth from all lending sectors

PERFORMANCE HIGHLIGHTS (continued)

- **Credit quality**
  - Positive economic outlook
  - Fourth consecutive quarter of reductions in impaired loans from peak level reached in Q2-10
- **Dividends declared**
  - Quarterly dividend declared of $0.14 per common share, up 8% from the previous quarter and 27% higher than the quarterly dividend declared a year earlier
    - closer to the target payout range of 25 to 30% of net income available to common shareholders
  - Quarterly dividend declared on Series 3 Preferred Shares



Target Payout Range[1]: 25-30%

Historical payout ratios

Fiscal 2009: ~29%

Fiscal 2010: ~19%

(1) *Payout range/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.*

FISCAL 2011 PERFORMANCE TARGETS

	2011 Minimum Target	2011 Year-to-date Performance (1)
Net income growth (2)	**6%**	**13%**
Net income growth before taxes (3)	**10%**	**8%**
Total revenue growth (teb)	**12%**	**15%**
Loan growth	**10%**	**14%**
Provision for credit losses	**0.20% – 0.25%**	**0.21%**
Efficiency ratio (teb)	**46%**	**45.4%**
Return on common equity (4)	**15%**	**16.3%**
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.

- **Well positioned to meet or surpass all fiscal 2011 targets**
  - Loan growth more robust than expected
  - Provision for credit losses likely to remain at lower end of the 2011 target range

BASEL III – CAPITAL ADEQUACY

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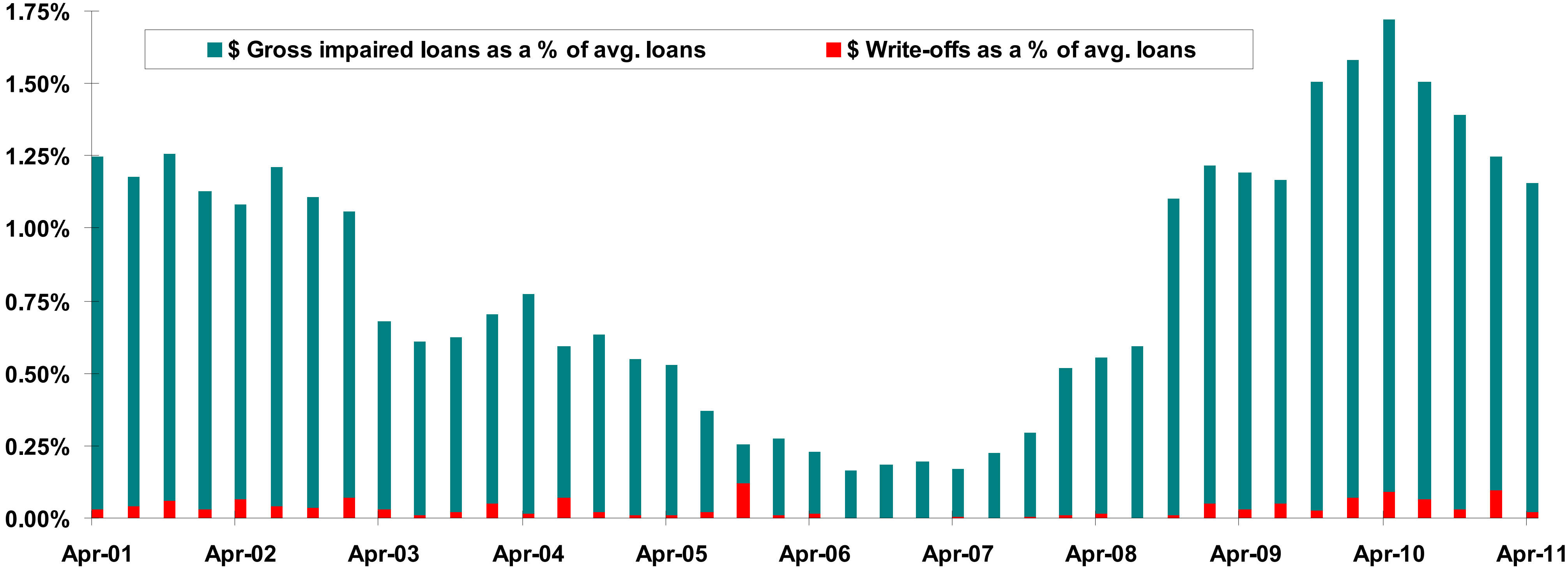
- **Basel III pro forma calculations**
  - Application of 2019 Basel III capital rules against the Bank's financial position at April 30, 2011 confirms management's view that CWB is already in compliance with forthcoming regulatory capital requirements:
    - attributed to an already strong base of tangible common equity, as well as relatively straightforward operations and composition of capital
    - estimates do not include assumptions about the potential impact of management strategies, changes in composition of regulatory capital or financial performance in the future
  - Expect to remain well above minimum Basel III standards
    - committed to deploy available capital to add further value for CWB shareholders

	Q2 11 (Basel II) Actual	Current Regulatory Minimum	Q2 11 (Basel III) Pro Forma	Expected Regulatory Minimum
Tangible Common Equity	9.2 %	—	8.6 %	7.0 %
Tier 1 Capital	11.8	7.0 %	9.5	8.5
Total Capital	16.6	10.0	14.3	10.5

OUTLOOK – CREDIT PERFORMANCE

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



➢ **Positive trend for credit quality – fourth consecutive quarter of reducing impaired loans**

- Gross impaired loans of $128.5 million, compared to $132.4 million in Q1-11 and $167.2 million in Q2-10
- Increase in specific allowance for credit losses mainly due to a single loan in the hospitality sector and not representative of overall portfolio quality
- Actual write-offs expected to remain within the Bank's range of acceptable levels – target provision for credit losses expected to result in an increase in the general allowance for credit losses over the next two quarters

OUTLOOK – STRATEGIC PRIORITIES

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- **Improve across each line of business**
  - Build on competitive advantages to increase market share (business banking and diversification in complementary financial services areas)
  - Ongoing investment in people, infrastructure and technology while maintaining effective cost control
    - loan origination system
    - further development of the branch network (Medicine Hat, AB; Richmond, BC; Winnipeg, MB)
  - Excellent potential to develop and grow all operating affiliates
- **Effectively deploy capital to create long-term value and growth for CWB shareholders**
- **Increase the return on common shareholders' equity**
  - Optimize capital
  - Develop plan to apply for and utilize internal risk ratings to calculate risk-weighted assets (AIRB methodology)
  - Grow in less capital intensive areas (i.e. equipment financing, alternative mortgages and other)
- **"Do what we do, only better"**

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 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. At the end of the second quarter, management believes increased commodity prices and related inflationary pressures could negatively impact the global economic recovery. Ongoing economic uncertainties have also reduced the likelihood of upward movements in the Canadian prime lending interest rate before the latter part of calendar 2011.

Q&A WITH EXECUTIVE MANAGEMENT

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