



CANADIAN WESTERN BANK

**ANNUAL
INFORMATION
FORM**

DECEMBER 9, 2010

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(All information is as of October 31, 2010 unless otherwise indicated.)

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FORWARD-LOOKING STATEMENTS

From time to time, Canadian Western Bank (CWB or the Bank) makes written and verbal forward-looking statements. Statements of this type are included in this Annual Information Form, including documents incorporated by reference, 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", "goal", "focus", "potential", "proposed" 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 and are subject to inherent risks and uncertainties, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

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, legislative and regulatory developments, 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.

Additional information about these factors can be found in the Risk Management section of the 2010 Annual Report.

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 range of acceptable levels including consideration for National Leasing Group Inc.;
- 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.

CORPORATE STRUCTURE

Name, Address and Incorporation

Canadian Western Bank (CWB or the Bank) is a Schedule I chartered bank under the *Bank Act* (Canada) (the Bank Act) and was formed effective November 1, 1987 through the amalgamation of Bank of Alberta (incorporated on March 22, 1984) and Western & Pacific Bank of Canada (incorporated on March 25, 1982). CWB has also amalgamated with two other financial institutions since 1987: North West Trust Company (effective December 31, 1994) and B.C. Bancorp (effective November 1, 1996). The Bank Act is the charter of CWB and governs its operations.

CWB's head office is located at Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6.

Intercorporate Relationships

The table below shows the subsidiaries of CWB as at October 31, 2010 as well as the percentage of each class of votes attaching to all voting securities of the subsidiary beneficially owned and each subsidiary's province or country of incorporation.

Subsidiary	Percentage of Issued and Outstanding Shares Owned	Jurisdiction of Incorporation
Adroit Investment Management Ltd.	76.25%	Alberta
Canadian Direct Insurance Incorporated	100%	Canada
Canadian Western Bank Capital Trust	100%	Alberta
Canadian Western Bank Leasing Inc.	100%	Alberta
Canadian Western Financial Ltd.	100%	British Columbia
Canadian Western Trust Company	100%	Canada
National Leasing Group Inc.	100%	Alberta
Valiant Trust Company	100%	Canada

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

As at October 31, 2010, CWB was the seventh largest publicly traded Canadian Schedule I chartered bank in terms of market capitalization. It operates only in Canada, primarily in the four western provinces. From October 31, 2007 to October 31, 2010, CWB's net income grew from \$96.3 million to \$163.6 million, while total assets grew from \$9.525 billion to \$12.702 billion. Since 2007, an internal loan growth rate averaging 14% has been achieved. CWB and its wholly owned subsidiaries Canadian Western Trust Company (CWT), Valiant Trust Company (Valiant), National Leasing Group Inc. (National Leasing), Canadian Western Financial Ltd. (CWF), Adroit Investment Management Ltd. (Adroit) and Canadian Western Bank Leasing Inc. (CWB Leasing) offer a comprehensive range of commercial and personal banking, trust and wealth management services. CWB also offers property and casualty insurance through Canadian Direct Insurance Incorporated (CDI).

On February 1, 2010, CWB completed the acquisition of 100% of the common shares of National Leasing in exchange for cash and common shares of CWB. This transaction reflected an enterprise value for National Leasing of \$130 million. As part of the transaction, the selling common shareholders of National Leasing were given the opportunity to retain a participating interest in National Leasing via the issuance of National Leasing preferred shares. Preferred shares held by former National Leasing common shareholders represent 23.75% of the enterprise value of National Leasing. The National Leasing preferred shares only have a terminal value and are not entitled to dividends. The terminal value of the National Leasing preferred shares, which are callable by CWB no earlier than November 1, 2012, will be determined based on National Leasing's future financial performance. Holders of National Leasing preferred shares also have the right to put their participating retained interest back to CWB.

On December 1, 2008, CWB expanded into the investment management business through the acquisition, effective November 1, 2008, of a 72.5% ownership interest in Adroit Investment Management Ltd. The acquisition supports a key strategic objective of the Bank to enhance its revenue diversification and earnings growth. Adroit's executive management retained a 27.5% minority ownership in the company. On June 25, 2010, CWB increased its ownership interest in Adroit to 76.25%. On September 1, 2010, Adroit Investment Management Ltd. amalgamated with Adroit Group Ltd., its wholly owned mutual fund dealer subsidiary, to form Adroit. Adroit is registered as a portfolio manager in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and as a mutual fund dealer and investment fund manager in Alberta.

In the fourth quarter of fiscal 2009, Valiant received the approval of the Superintendent of Financial Institutions to become a deposit taking institution and became a member of the Canada Deposit Insurance Corporation. It is expected that Valiant will commence accepting deposits from the public in fiscal 2011.

DESCRIPTION OF THE BUSINESS

General

CWB is the largest Schedule I chartered bank headquartered in and regionally focused on Western Canada. A comprehensive range of personal and commercial banking, trust services, and wealth management services is provided by the Bank and its subsidiaries. CDI offers personal home and automobile insurance to customers in British Columbia and Alberta. The Bank has 39 branches located in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba. In total, CWB and its subsidiaries employed 1,828 employees at October 31, 2010.

Banking and Trust

Summary

The CWB branch network consists of 17 branches in Alberta, 17 branches in British Columbia, four branches in Saskatchewan and one in Manitoba. There are also two banking operations, one located within the Edmonton Head Office and one within the Vancouver Regional Office, which only process deposits gathered through a network of agents operating throughout Canada. CWT does not operate retail branches. CWT and Valiant maintain offices in Calgary, Edmonton, Vancouver and Toronto. Valiant also has an arrangement for co-transfer agency services in New York. Adroit serves its customers from its Edmonton office. National Leasing is based in Winnipeg. National Leasing has a network of sales representatives across Canada who serve the needs of customers in every province of Canada.

Commercial lending services are divided into four major categories: general commercial, real estate (which includes construction and development loans), equipment financing (which includes equipment leasing) and energy. A portfolio of loans identified internally as corporate loans has also been developed through selective participation in syndications, the majority of which have been structured and led by the major Canadian banks.

Credit risk is managed through lending policies and procedures, the establishment of lending limits and a defined approval process. Risk diversification is addressed by establishing portfolio limits by geographic area, industry sector and product. It is CWB's policy to limit connected corporate borrowers' loan authorizations to not more than 10% of the Bank's shareholders' equity. The limit for any single risk exposure is presently set at \$50 million. Customers with larger borrowing requirements are accommodated through loan syndications with other financial institutions.

Competitively priced consumer loans and mortgages are offered to customers through bank branch locations. Optimum Mortgage, a division of CWT, offers alternative residential mortgages primarily through third party mortgage brokers.

CWB offers a variety of banking services and competitively priced deposit products. Customers have access to their accounts through CWB's membership in the Interac[®], Cirrus[®] and Exchange[®] automated banking machine networks, the Interac[®] Direct Payment system, and CWB Direct[®] and CWBdirect Advanced Internet Banking[®], both Internet personal computer banking systems. Retail customers can also view their statements and cheque images over the Internet. CWB offers personal and business credit cards through an agreement with MBNA Canada Bank. Third party mutual funds are offered to customers through the Bank's mutual fund dealer subsidiary, CWF. CWT deposit products are also offered through the Bank's branch network. During the 2010 fiscal year, CWB added two new branches: one in Surrey, British Columbia and one in Sherwood Park, Alberta.

The Bank also operates an Internet-based banking division under the name Canadian Direct Financial[®], which offers registered and non-registered deposit products.

Trust services are offered through CWT and Valiant. CWT's personal trust services include self-directed registered accounts, non-registered investment accounts, individual pension plans and investment loan services. CWT's corporate and group trust services include registered pension plan custody, executive compensation plan services and employee-based savings plan services. Valiant provides various services to public companies, including stock transfer and registrar services, debenture trustee services, depository and escrow services and employee plan services.

Adroit offers wealth management services to individuals, corporations and institutional clients via discretionary management of client investment accounts. Clients may also gain the benefit of non-personalized investment management services by investing in two mutual funds managed by Adroit.

National Leasing specializes in commercial equipment leasing for small to mid-size transactions. Headquartered in Winnipeg, it serves the needs of customers in all provinces via its sales network.

The banking and trust segment accounted for 93% of consolidated revenues in 2009 and 2010. In this segment, substantially all revenues in 2009 and 2010 were derived from sales to external customers outside of CWB and its subsidiaries.

Competitive Conditions

Competition mainly comes from chartered banks, credit unions, trust companies, insurance companies, asset lenders, pension funds, investment management firms, commercial lessors and other regionally based financial institutions. CWB's bank and trust businesses operate in very competitive markets, particularly with respect to the pricing, nature and extent of products and services offered. The key competitive differences are a commitment to highly personalized service and local decision-making.

Intangible Assets

There are numerous trademarks and trade names associated with the banking and trust segment that have been registered, or which are in the process of registration. Further information about the Bank's intangible assets can be found under the heading Other Assets and Other Liabilities on page 18 of the 2010 Management Discussion & Analysis and in Note 10 to the 2010 audited consolidated financial statements.

Environmental Protection

CWB is exposed to some financial risk as a result of environmental laws. To manage this potential exposure, environmental risk is factored into credit evaluation procedures and property acquisitions to ensure CWB's interests are reasonably protected. To date, these environmental risks have not had any material effect on the operations of the banking and trust segment.

Employees

At October 31, 2010, CWB's banking and trust operations employed 1,256 employees.

Insurance

Summary

The head office of the Bank's insurance subsidiary, CDI, is located in Vancouver. CDI uses sophisticated underwriting selection criteria to offer competitively priced personal home and automobile insurance to customers in British Columbia and Alberta. Products are offered to customers through two call centres, one in British Columbia and one in Alberta, and over the Internet. CDI also offers optional automobile insurance in British Columbia through a broker channel. All claims are administered using imaging technology and effective workflow management to maintain a "paperless" environment, which contributes to CDI's operating efficiency.

The insurance segment accounted for 7% of CWB's consolidated revenues in 2010 and 2009.

Competitive Conditions

The insurance industry is both highly competitive and highly regulated. The British Columbia automobile insurance market is heavily influenced by the Insurance Corporation of British Columbia (ICBC), a Crown corporation of the Province of British Columbia. ICBC is the only permitted insurer for the mandatory basic auto liability coverage and competes with private insurance companies for the provision of additional optional coverage. Based on 2009 data from *Canadian Underwriter's* 2010 Statistical Issue, CDI has approximately 21% of the available optional private automobile insurance market in British Columbia, which itself comprises some 11% of the total optional automobile insurance market, the other 89% being held by ICBC. In 2009, ICBC decreased rates on its optional coverage. In 2010, ICBC decreased rates on both its optional and basic coverages. As a result, call volumes and direct sales of CDI's optional auto product have generally been suppressed even though the pricing for this product remained competitive. Growth in this product line has been achieved through the broker distribution channel.

In 2010, the Alberta Insurance Rate Board announced another mandatory rate rollback of 5% for basic coverage on private passenger vehicles, effective November 1, 2010. This marked the second consecutive year that the Rate Board mandated a 5% rollback. CDI has implemented the decrease of 5% for all new and renewal business effective on or after November 1, 2010. In December of 2009, the Supreme Court of Canada denied leave to appeal the ruling of Alberta Court of Appeal regarding the cap on minor injuries suffered in automobile accidents. Earlier in 2009, an Alberta Court of Appeal ruling reinstated the cap by unanimously overturning the 2008 lower court decision to suspend the cap on minor injury claims. As a result of the Supreme Court decision, CDI reduced its explicit provision related to these claims. CDI's earnings and claims loss ratio for 2010 and 2009 were impacted by CDI's share of the Alberta auto insurance Risk Sharing Pools (the Pools). In 2010, the Pool's claim reserves were also decreased by the explicit provision relating to minor injuries suffered in automobile accidents, as a result of the Supreme Court decision. In 2009, claim reserves in the Pools were increased to reflect revised estimated loss assumptions derived by the Pools' consulting actuary. Results from the Pools continue to be unpredictable and will add volatility to CDI's earnings in the future.

The markets for CDI's home insurance products are fully competitive with a large number of property and casualty insurance companies selling products and services primarily through broker-based distribution channels.

British Columbia and Alberta consumers continue to take advantage of CDI's technological advances and online discounts and are choosing to purchase auto insurance over the Internet. In fiscal 2010, CDI added secondary auto products such as travel trailers and motorhomes to its menu of product offerings. Additional development is underway to make tenant and condominium home insurance available online.

Intangible Assets

CDI's business is generated primarily through inbound calls in response to television, radio and Internet advertising. Awareness of the Canadian Direct Insurance brand is very important in attracting and retaining business. Through significant investment in marketing, there is a high level of brand awareness in British Columbia and growing brand awareness in Alberta, particularly through association with the Bank's brand.

Employees

At October 31, 2010, insurance operations had 294 employees in British Columbia and Alberta.

Insurance Cycles

The property and casualty insurance industry has historically tended to fluctuate in cyclical patterns of "soft" markets, characterized generally by increased competition that results in lower premium rates and underwriting standards, followed by "hard" markets, characterized by lessening competition, stricter underwriting standards and increasing premium rates. The operating results are also subject to seasonal weather conditions and the impact of natural catastrophes.

SUPERVISION AND REGULATION

The Bank, along with CWT, Valiant and CDI, are federally regulated financial institutions. The Bank is governed by the Bank Act; CWT and Valiant are governed by the *Trust and Loan Companies Act* (Canada) and CDI is governed by the *Insurance Companies Act* (Canada). The Office of the Superintendent of Financial Institutions (OSFI) is responsible to the Minister of Finance (the Minister) for the supervision of federally regulated financial institutions. OSFI is required to examine the affairs and business of each institution for the purpose of determining whether statutory requirements are duly observed and the institution is in sound financial condition. OSFI performs an annual examination and submits its report to the Minister thereafter.

In addition to their governing legislation, the Bank, CWT, Valiant and CDI are subject to regulation under the *Financial Consumer Agency of Canada Act*. The Financial Consumer Agency of Canada enforces consumer-related provisions of the federal statutes that govern financial institutions. The activities of the Bank's trust and insurance subsidiaries are also regulated under provincial laws when they conduct activities in those provinces. CWF and Adroit are regulated by the provincial securities commissions in the provinces in which they operate. CWF is also regulated by the Mutual Fund Dealers Association of Canada (the MFDA), the self-regulatory organization for mutual fund dealers. Valiant is a registered transfer agent with the Securities and Exchange Commission in the United States.

The Bank, CWT and Valiant are member institutions of the Canada Deposit Insurance Corporation, which insures certain deposits held at the member institutions. CDI is a member of the Property and Casualty Insurance Compensation Corporation, which is the corporation protecting Canadian property and casualty policyholders against loss of benefits due to the financial failure of a member company, and CWF is a member of the MFDA Investor Protection Corporation, which provides certain protections to MFDA member customers in the event the MFDA member becomes insolvent.

RISK FACTORS

The risks faced by the Bank are described in the Risk Management section of the 2010 Annual Report, and those pages are incorporated herein by reference.

DIVIDENDS

During the year ended October 31, 2010, CWB declared dividends totalling \$0.44 per common share as compared to \$0.44 per common share during fiscal 2009 and \$0.42 per common share during fiscal 2008.

During the year ended October 31, 2010, CWB declared dividends totalling \$1.8125 per Non-Cumulative 5-Year Rate Reset Preferred Share, Series 3 (the Series 3 Preferred Shares) as compared to \$1.20 per Series 3 Preferred Share during fiscal 2009. Series 3 Preferred Shares were issued March 2, 2009, and the annualized 2009 dividend payable is \$1.8125 per Series 3 Preferred Share.

The Board of Directors has declared a cash dividend of \$0.13 per common share payable on January 13, 2011 to holders of record on December 30, 2010. Additionally, the Board of Directors has declared a cash dividend of \$0.453125 per Series 3 Preferred Share payable on January 31, 2011 to holders of record on January 21, 2011.

Dividends are payable on the common shares and Series 3 Preferred Shares of CWB if, as and when declared by the Board of Directors. The Board of Directors is not required to declare or pay dividends on the common shares of CWB. Series 3 Preferred Shares are entitled to preference over the common shares with respect to the payment of dividends.

CWB is prohibited from paying or declaring a dividend if there are reasonable grounds for believing that CWB is, or that payment would cause CWB to be, in contravention of any regulation made under the Bank Act with respect to the maintenance of adequate capital and adequate and appropriate forms of liquidity or with any direction given with respect to such matters by OSFI.

In conjunction with the issuance of Trust Capital Securities – Series 1 (CWB WesTS – Series 1) in August 2006 by Canadian Western Bank Capital Trust (CWB Trust), the Bank contractually agreed that if CWB Trust fails to pay in full the semi-annual distributions on its CWB WesTS – Series 1, the Bank will not declare dividends on the Bank's outstanding preferred shares and common shares for a period of approximately 12 months.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

The authorized share capital of CWB consists of an unlimited number of common shares, 25,000,000 First Preferred Shares and 33,964,321 Class A Shares, all without nominal or par value.

Share Capital

The common shares are entitled to one vote per share at all meetings of holders of common shares. The common shares are entitled to dividends if, as and when declared by the Board of Directors and to the distribution of assets of CWB in the event of the liquidation, dissolution or winding up of CWB. As of October 31, 2010, there were 66,641,362 common shares outstanding.

The First Preferred Shares are issuable in series. The First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and are entitled to preference over the common shares and any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of CWB. CWB's Board of Directors is empowered to fix the number of shares and the rights to be attached to the First Preferred Shares of each series, including the amount of dividends and any conversion, voting and redemption rights. Subject to the foregoing and applicable law, the holders of the First Preferred Shares are not entitled to receive notice of, attend or vote at meetings of the shareholders of CWB.

As part of the issuance of CWB WesTS – Series 1, the Board of Directors authorized the issuance of 4,200,000 First Preferred Shares Series 1 which, when issued, would pay semi-annual, non-cumulative cash dividends with an annual yield of 4.00% and be redeemable at the sole option of the Bank, with OSFI approval, on or after December 11, 2011 and 4,200,000 First Preferred Shares Series 2 which, when issued, would pay semi-annual, non-cumulative cash dividends with an annual yield of 5.25% and be redeemable at the sole option of the Bank, with OSFI approval, on or after December 11, 2011. No First Preferred Shares Series 1 or First Preferred Shares Series 2 have been issued.

In March 2009, CWB issued First Preferred Shares designated as Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 3. Holders of the Series 3 Preferred Shares are entitled to receive non-cumulative quarterly fixed dividends for the five-year period ending April 30, 2014 of 7.25% per annum, payable quarterly, as and when declared by the Board of Directors. The dividend rate on Series 3 Preferred Shares will reset May 1, 2014 and every five years thereafter at a level of 500 basis points over the then current five-year Government of Canada bond yield. The Series 3 Preferred Shares are not redeemable prior to April 30, 2014. Subject to the provisions of the Bank Act, the prior consent of OSFI, and the provisions described in the prospectus for the public offering, on April 30, 2014 and on April 30 every five years thereafter, CWB may redeem all or any part of the then outstanding Series 3 Preferred Shares for \$25.00 per Series 3 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption. As of October 31, 2010, there were 8,390,000 Series 3 Preferred Shares outstanding.

On April 30, 2014 and every five years thereafter, holders of Series 3 Preferred Shares will, subject to certain conditions, have the option to convert their Series 3 Preferred Shares to Non-Cumulative Floating Rate Preferred Shares, Series 4 (the Series 4 Preferred Shares). Holders of Series 4 Preferred Shares will be entitled to non-cumulative floating quarterly dividends equal to the 90-day Canadian treasury bill rate plus 500 basis points, as and when declared by the Board of Directors. Subject to the provisions of the Bank Act, the prior consent of OSFI and the provisions described in the prospectus for the public offering, CWB may redeem, with notice, all or any part of the then outstanding Series 4 Preferred Shares at (i) a price of \$25.00 per Series 4 Preferred Share together with all declared and unpaid dividends to the date fixed for redemption on April 30, 2019 and every five years thereafter; or (ii) a price of \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date on or after April 30, 2014. Subject to certain conditions, holders of Series 4 Preferred Shares may also have the option to convert their Series 4 Preferred Shares into Series 3 Preferred Shares on April 30, 2019 and every five years thereafter. There are currently no Series 4 Preferred Shares outstanding.

The Class A Shares were created and issued in connection with CWB's amalgamation with B.C. Bancorp in 1996. Pursuant to the conditions applicable to the Class A Shares, all of the issued and outstanding Class A Shares were automatically converted into common shares 20 business days after the effective date of the amalgamation of B.C. Bancorp. There are currently no Class A Shares issued or outstanding.

Warrants

On March 2, 2009, CWB and Valiant entered into a warrant indenture under which 14,964,980 common share purchase warrants (the Warrants) have been issued. Each whole Warrant entitles its holder to purchase one CWB common share at a price of \$14.00. Warrants can be exercised until the close of business on March 3, 2014. After this date, Warrants will expire and become null and void. As of October 31, 2010, there were 13,471,611 Warrants outstanding.

Subordinated Debentures

As of October 31, 2010, CWB had \$320 million of conventional subordinated debentures outstanding. The material details of these subordinated debentures may be found in Note 18 to the audited consolidated financial statements, which are incorporated herein by reference, and which are available on www.sedar.com and in the 2010 Annual Report, which is available on the Bank's website www.cwbankgroup.com.

On November 22, 2010, CWB redeemed \$70 million of subordinated debentures. On November 30, 2010, CWB issued \$300 million of 4.389% per annum subordinated debentures. See Note 37 to the audited consolidated financial statements.

Trust Capital Securities

On August 31, 2006, CWB Trust privately placed 105,000 CWB WesTS – Series 1 with institutional investors for gross proceeds of \$105 million. The gross proceeds were used to acquire a \$105 million deposit note from the Bank. Both the CWB WesTS – Series 1 and the deposit note bear interest at 6.199% until December 31, 2016 and thereafter at the Canadian Dollar Offered Rate 180-day Bankers’ Acceptance rate plus 2.55%. The material details of the CWB WesTS – Series 1 may be found in Note 15 to the audited consolidated financial statements, which are incorporated herein by reference, and which are available on www.sedar.com and in the 2010 Annual Report, which is available on the Bank’s website www.cwbankgroup.com. The CWB WesTS – Series 1 are not consolidated in the Bank’s annual consolidated financial statements but are permitted by OSFI to be included in the Bank’s regulatory capital.

Constraints

Any person wishing to obtain, or increase, a significant interest in a bank must make an application to the Minister of Finance. Ownership, directly or indirectly, of more than 10% of any class of shares of a bank constitutes a significant interest. A bank with equity of \$8 billion or more (a Large Bank) may not have a shareholder which owns, directly or indirectly, more than 20% of its outstanding voting shares of any class or more than 30% of its outstanding non-voting shares of any class. Although CWB does not meet this equity threshold, CWB was grandfathered and deemed to be a Large Bank under this section of the Bank Act. The Minister has the power to change CWB’s status if it is demonstrated that the change in status is in the public interest and it will foster opportunities for the Bank to grow and better serve its customers. If the Minister were to change the status of CWB, the Minister could approve the acquisition of all of the Bank’s common shares by a single entity.

The Bank monitors the above constraints on shareholdings through various means, including completion of Declaration of Ownership Forms for shareholder certificate transfer requests. To the best of CWB’s knowledge, as of October 31, 2010, certain subsidiaries of Fairfax Financial Holdings Ltd. held a significant interest in the Bank as a result of their holdings of Series 3 Preferred Shares.

Ratings

As of December 9, 2010, DBRS Limited (DBRS) has issued the following ratings for CWB debt:

Debt	Rating	Trend	Ranking
Senior Debt and Deposits	A (low)	Stable	7 of 26
Subordinated Debt	BBB (high)	Stable	8 of 26

A ranking of A (low) and a ranking of BBB (high) are, respectively, the 7th and 8th highest rankings out of 26 possible rankings issued by DBRS to long term obligations.

The following definitions of the category of each rating have been obtained from DBRS’s website. A more detailed explanation of each rating may be obtained directly from DBRS:

Rating	Description
A	Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.
BBB	Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

In general terms, ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings do not address the market price of a security.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issuer or a security and do not speak to the suitability of particular securities for any particular investor. A credit rating is therefore not a recommendation to purchase, sell or hold a security. Ratings are subject to revision and withdrawal at any time by the rating organization.

Each DBRS rating category is appended with one of three rating trends—"Positive," "Stable," "Negative"—in addition to "Under Review." The rating trend helps to give the investor an understanding of DBRS's opinion regarding the outlook for the rating in question. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

MARKET FOR SECURITIES

Trading Price and Volume

The Bank's common shares, Series 3 Preferred Shares and Warrants are traded on the Toronto Stock Exchange (TSX) under the symbols CWB, CWB.PR and CWB.WT, respectively. The following table shows the price ranges and volumes traded for these securities for each month of the most recent fiscal year (November 2009 through October 2010).

Period	Common Shares		Series 3 Preferred Shares		Warrants	
	Price Range	Volume	Price Range	Volume	Price Range	Volume
November 2009	\$20.62 - \$24.00	3,618,047	\$26.40 - \$26.94	543,246	\$7.00 - \$10.11	300,809
December 2009	\$21.71 - \$23.38	3,338,921	\$26.50 - \$26.80	1,259,645	\$7.90 - \$9.50	207,087
January 2010	\$19.89 - \$22.05	3,228,532	\$26.65 - \$27.15	749,713	\$7.00 - \$8.30	373,951
February 2010	\$19.85 - \$21.20	2,462,446	\$26.80 - \$27.40	580,579	\$6.85 - \$7.92	240,000
March 2010	\$20.75 - \$24.69	4,853,038	\$27.20 - \$28.50	270,304	\$7.80 - \$10.95	357,932
April 2010	\$23.39 - \$25.75	3,532,466	\$27.00 - \$27.96	138,266	\$10.06 - \$12.19	157,511
May 2010	\$21.25 - \$24.01	3,112,414	\$26.88 - \$27.54	142,256	\$8.63 - \$10.55	119,790
June 2010	\$22.24 - \$25.11	3,579,732	\$27.10 - \$27.70	199,378	\$9.65 - \$11.55	128,186
July 2010	\$22.36 - \$26.19	2,677,926	\$27.45 - \$28.40	97,264	\$9.27 - \$12.25	1,048,697
August 2010	\$23.25 - \$26.59	2,211,732	\$27.65 - \$28.18	98,854	\$9.83 - \$12.93	140,659
September 2010	\$23.80 - \$25.75	3,739,113	\$27.98 - \$28.35	140,660	\$10.43 - \$12.13	106,114
October 2010	\$24.51 - \$25.54	2,569,766	\$27.70 - \$28.39	167,210	\$10.79 - \$11.88	801,210

DIRECTORS AND OFFICERS

Director and Officer Information

The following table lists the name, municipality of residence and principal occupation of each director of CWB, the period that each director has served as a director, the committees on which the director served as well as the number of common shares of CWB and the percentage of outstanding common shares beneficially owned, directly or indirectly, or controlled or directed by each director. Directors are elected annually and hold office until the next annual meeting of shareholders.

Name and Municipality of Residence	Principal Occupation	Director Since	Board Committee Membership	Common Shares Beneficially Owned, Controlled or Directed ⁽¹⁾
ALBRECHT W.A. BELLSTEDT, Q.C. Canmore, Alberta, Canada	President, A.W.A. Bellstedt Professional Corporation (consulting services firm)	March 9, 1995	Governance (Chair) Loans	13,200 0.02%
ALLAN W. JACKSON ⁽²⁾ Calgary, Alberta, Canada	President and Chief Executive Officer, ARCI Ltd. (real estate development company)	March 22, 1984	Governance Human Resources Loans	114,000 0.17%
WENDY A. LEANEY Toronto, Ontario, Canada	President, Wyoming Associates Ltd. (general investment holding company)	March 8, 2001	Audit Governance Loans	18,000 0.03%
ROBERT A. MANNING ⁽³⁾ Edmonton, Alberta, Canada	President, Cathton Investments Ltd. (general investment holding company)	January 31, 1986	Audit (Chair) Governance Human Resources	1,796,970 2.70%
GERALD A.B. McGAVIN, C.M., O.B.C., FCA ⁽⁴⁾ Vancouver, British Columbia, Canada	President, McGavin Properties Ltd. (general investment holding company)	January 27, 1989	Audit Loans (Chair)	60,000 0.09%
HOWARD E. PECHET Rancho Mirage, California, U.S.A.	President, Mayfield Consulting Inc. (general investment holding company)	March 22, 1984	Human Resources Loans	330,880 0.50%
ROBERT L. PHILLIPS, Q.C. Vancouver, British Columbia, Canada	President, R.L. Phillips Investments Inc. (private investment firm)	March 8, 2001	Audit Human Resources Loans ⁽⁵⁾	18,096 0.03%
LAURENCE (LARRY) M. POLLOCK Edmonton, Alberta, Canada	President and Chief Executive Officer of the Bank	January 26, 1990	Loans	414,044 0.62%
RAYMOND J. PROTTI, ICD.D Victoria, British Columbia, Canada	Consultant on national security and financial services	March 5, 2009	Governance Loans	10,204 0.02%
ALAN M. ROWE, CA Toronto, Ontario, Canada	Partner, Crown Realty Partners (investment management company)	July 1, 1996	Audit Human Resources (Chair) Loans	22,000 0.03%
ARNOLD J. SHELL Toronto, Ontario, Canada	President, Arnold J. Shell Consulting Inc. (an insurance, retirement and estate planning consulting firm)	December 9, 1997	Human Resources Loans	18,000 0.03%

(1) The information as to the number of shares owned or over which control or direction is exercised, and the percentage of outstanding shares, is as at October 31, 2010 and has been provided by the respective directors.

(2) Mr. Jackson also serves as the Chairman of the Board of Directors.

(3) Of the amounts for Mr. Manning, 1,742,122 shares are owned by Cathton Investments Ltd. (Cathton). Mr. Manning exercises direction over these shares as a director and President of Cathton.

(4) Mr. McGavin also serves as the Chairman of CDI.

(5) Mr. Phillips serves as an alternate on the Loans Committee.

Each of the directors listed have held their respective positions and offices with the same, predecessor or associated firms or organizations for the past five years except:

- Mr. Bellstedt, who prior to February 2007 was Executive Vice President, Law and Corporate, TransCanada Corporation (a North American energy services company);
- Mr. Protti, who prior to April 2007 was President and Chief Executive Officer, Canadian Bankers Association (a trade association representing the banking industry); and
- Mr. Rowe, who prior to July 2010 was also a Partner at Crown Capital Partners Inc. (an investment management company) and who prior to July 2007 was also Senior Vice President, Chief Financial Officer and Corporate Secretary, Crown Life Insurance Company (a life insurance company).

The following table lists the name, municipality of residence and principal occupation of each executive officer of CWB.

Name and Municipality of Residence	Principal Occupation and Position with CWB	Employed Since
WILLIAM J. ADDINGTON, FCMA Edmonton, Alberta, Canada	Executive Vice President	1986
TRACEY C. BALL, FCA Edmonton, Alberta, Canada	Executive Vice President and Chief Financial Officer	1987
JAMES O. BURKE Calgary, Alberta, Canada	Vice President, Equipment Financing Group	1991
LARS K. CHRISTENSEN, CMA Edmonton, Alberta, Canada	Vice President and Chief Internal Auditor	1994
DENNIS M. CROUGH St. Albert, Alberta, Canada	Vice President, Credit Risk Management	1994
CHRISTOPHER H. FOWLER Edmonton, Alberta, Canada	Executive Vice President	1991
MARIO V. FURLAN Vancouver, British Columbia, Canada	Vice President, Real Estate Lending, B.C. Region	1990
RANDELL W. GARVEY, CFA, FCMA Edmonton, Alberta, Canada	Executive Vice President	2005
RICHARD R. GILPIN St. Albert, Alberta, Canada	Senior Vice President, Credit Risk Management	2001
RICKI L. GOLICK Edmonton, Alberta, Canada	Senior Vice President and Treasurer	1989
CAROLYN J. GRAHAM, CA Edmonton, Alberta, Canada	Senior Vice President and Chief Accountant	2000
MICHAEL N. HALLIWELL Calgary, Alberta, Canada	Senior Vice President and Regional General Manager	1990
GAIL L. HARDING, Q.C. Calgary, Alberta, Canada	Senior Vice President, General Counsel and Corporate Secretary	2004
DARRELL R. JONES, CMA Edmonton, Alberta, Canada	Senior Vice President and Chief Information Officer	2008
UVE KNAAK Sherwood Park, Alberta, Canada	Senior Vice President, Human Resources	1989
PETER K. MORRISON Edmonton, Alberta, Canada	Vice President, Marketing and Product Development	2002
STANLEY B. PLAISIER Edmonton, Alberta, Canada	Director, Portfolio Management	1994
LAURENCE (LARRY) M. POLLOCK Edmonton, Alberta, Canada	President, Chief Executive Officer and Director	1990
GREGORY J. SPRUNG Coquitlam, British Columbia, Canada	Senior Vice President and Regional General Manager	2005
JOHN (JACK) C. WRIGHT Edmonton, Alberta, Canada	Senior Vice President and Regional General Manager	1990
BRIAN J. YOUNG Vancouver, British Columbia, Canada	Executive Vice President, CWB, President and Chief Executive Officer, CDI	2004

All of the executive officers listed above have held their respective positions with CWB for at least the last five years except for the following:

- Mr. Christensen held the position of Assistant Vice President, Real Estate Lending prior to being appointed Vice President and Chief Internal Auditor in November 2006.
- Mr. Crough held the position of Senior Assistant Vice President, Credit Risk Management prior to being appointed Vice President, Credit Risk Management in April 2008.
- Mr. Fowler held the position of Vice President, Credit Risk Management prior to his appointment as Senior Vice President, Credit Risk Management in February 2006. Mr. Fowler was appointed Executive Vice President in April 2008.
- Mr. Furlan held the position of Senior Assistant Vice President and Manager, Real Estate Lending prior to his appointment as Vice President, Real Estate Lending in January 2009.
- Mr. Garvey held the position of Senior Vice President, Corporate Support prior to his appointment as Executive Vice President in June 2007.

- Mr. Gilpin held the position of Assistant Vice President, Credit Risk Management prior to his appointment as Vice President, Credit Risk Management in February 2006. Mr. Gilpin was appointed Senior Vice President, Credit Risk Management in April 2008.
- Ms. Golick held the position of Vice President and Treasurer prior to being appointed Senior Vice President and Treasurer in April 2008.
- Ms. Graham held the position of Senior Assistant Vice President and Chief Accountant prior to her appointment as Vice President and Chief Accountant in June 2006. Ms. Graham was appointed Senior Vice President and Chief Accountant in June 2010.
- Mr. Halliwell held the position of Vice President and Regional Manager, Prairies prior to being appointed Senior Vice President and Regional General Manager in April 2008.
- Ms. Harding held the position Vice President, General Counsel and Corporate Secretary until January 2009 when she was appointed Senior Vice President, General Counsel and Corporate Secretary.
- Mr. Jones joined CWB as Vice President and Chief Information Officer in August 2008 prior to which he held the position of Partner with KPMG LLP (KPMG). Mr. Jones was promoted to Senior Vice President and Chief Information Officer in September 2009.
- Mr. Knaak held the position of Vice President, Human Resources prior to being appointed Senior Vice President, Human Resources in April 2008.
- Mr. Morrison held the position of Assistant Vice President, Product Development prior to being appointed Vice President, Marketing and Product Development in January 2006.
- Mr. Plaisier held the position of Assistant Vice President, Asset Liability Management prior to his appointment as Senior Assistant Vice President in May 2008. Mr. Plaisier was promoted to Director, Portfolio Management in December 2009.
- Mr. Sprung held the position of Vice President and Regional Manager, British Columbia prior to his appointment as Senior Vice President and Regional General Manager in April 2008.
- Mr. Wright held the position of Senior Vice President prior to being appointed Senior Vice President and Regional General Manager in April 2008.

As at October 31, 2010, CWB directors and executive officers, as a group, beneficially owned or exercised direction over 3,396,786 common shares, or approximately 5.10% of the issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Bank has, within the 10 years prior to the date of this Annual Information Form, been a director or executive officer of any company that (i) was the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order, or an order that denied the company access to any exemption under securities legislation for more than 30 days, or (iii) within one year of the director or executive officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

- Mr. Rowe served as a director of Big Sky Farms Inc. from October 8, 2004 to April 12, 2010 which, on March 23, 2010, implemented a plan of compromise and arrangement as approved by the Saskatchewan Court of Queen's Bench pursuant to the *Companies' Creditors Arrangement Act* (Canada);
- Mr. Rowe served as a director of CrownAG International Inc. from November 25, 2004 to June 14, 2005 as a nominee of a secured lender which, together with two other secured lenders, appointed a receiver of the company on June 14, 2005;
- Mr. Bellstedt, who served as a trustee of Atlas Cold Storage Income Trust, was subject to an Ontario Securities Commission cease trade order on December 2, 2003 that was issued in respect of all insiders of Atlas Cold Storage Income Trust as a result of the late filing of financial statements required to reflect certain restatements. The cease trade order was rescinded in January 2004; and

- Ms. Harding resigned as a director of AC Energy Inc., a TSX Venture Exchange company, on March 14, 2003. The company was placed in receivership by its secured lender on October 9, 2003 and a cease trade order was issued against the company on December 19, 2003 for failure to file its financial statements.

No director or executive officer has, within 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the directors and officers and CWB or its subsidiaries.

LEGAL PROCEEDINGS

In the ordinary course of business, the Bank and its subsidiaries are parties to legal proceedings. Although the outcome of such proceedings is difficult to predict, based on current knowledge, the Bank does not expect the outcome of any of these proceedings to have a material effect on its consolidated financial position or results of operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Bank or its subsidiaries, or an associate thereof, had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years that has materially affected or will materially affect CWB.

TRANSFER AGENTS AND REGISTRAR

Valiant acts as registrar and transfer agent for CWB's common shares, Series 3 Preferred Shares and Warrants at its principal office in Calgary and at its offices in Toronto and Vancouver.

INTERESTS OF EXPERTS

KPMG were auditors of the Bank for the year ended October 31, 2010 and prepared and executed the audit report accompanying the annual consolidated financial statements.

AUDIT COMMITTEE INFORMATION

Audit Committee's Mandate

CWB's Audit Committee Mandate sets out the Committee's purpose, organization, reporting, duties and responsibilities. A copy of the Mandate is attached hereto as Schedule A.

Composition of the Audit Committee

As of October 31, 2010, the Audit Committee was comprised of five directors, all of whom are independent directors: Robert A. Manning (Chair), Wendy A. Leaney, Gerald A.B. McGavin, Robert L. Phillips and Alan M. Rowe.

Relevant Education and Expertise

The following section lists the relevant education and experience for each Audit Committee member.

Robert A. Manning, B.Sc. (Hons), MBA (Chairman of the Audit Committee)

Robert Manning acquired significant experience and exposure to accounting and financial reporting issues as the current President and a director of privately held Cathton Investments Ltd. and several subsidiary and affiliated companies, and Executive Vice President and a director of North West Trust Company from 1979-1980. Mr. Manning completed his Masters of Business Administration at Cranfield School of Management and his Bachelor of Science (Hons) at the University of Manchester Institute of Science and Technology. Mr. Manning has been a director of the Bank for 25 years.

Wendy A. Leaney, B.A. (Hons), FICB

Wendy Leaney acquired significant experience and exposure to accounting and financial reporting issues in various capacities during her 26-year career with TD Bank. She is the current President of Wyoming Associates Ltd., a private investment and consulting firm. Ms. Leaney's career has been focused on providing corporate finance, advisory and lending services to the communications and media sectors. She currently serves as a director of Corus Entertainment Inc. Ms. Leaney received her Bachelor of Arts (Hons) from the University of Toronto and has completed the Executive Management Programme at the University of Western Ontario. Ms. Leaney is a Fellow of the Institute of Canadian Bankers and has completed both the Canadian Securities Course and the Partners, Directors and Officers Course offered by the Canadian Securities Institute. Ms. Leaney has been a director of the Bank for 10 years.

Gerald A.B. McGavin, B. Comm., MBA, C.M., O.B.C., FCA

Gerald McGavin acquired significant experience and exposure to accounting and financial reporting issues as the current President and a director for privately held McGavin Properties Ltd. and subsidiary and affiliated companies, as President and Chief Operating Officer of BC Hydro and Power Authority from 1986-1987 and as a director, President and Chief Executive Officer of Yorkshire Trust Company from 1972-1986. Mr. McGavin also served from 1999-2008 as a director of Industrial Alliance Pacific Life Assurance Company of Canada, which acquired Seaboard Life Insurance Company and Seaboard Trust Company, of which Mr. McGavin was a director and the Chairman of the Audit Committee. Mr. McGavin earned his Bachelor of Commerce from the University of British Columbia and his Masters in Business Administration from the University of California at Berkeley. He has been a Chartered Accountant since 1963 and has served as a member of the Accounting Research and Advisory Board for the Canadian Institute of Chartered Accountants. Mr. McGavin has been a director of the Bank for 22 years and is also a director and Board Chairman of CDI.

Robert L. Phillips, B.Sc. Chemical Engineering (Hons), LLB (Gold Medalist), Q.C.

Robert Phillips acquired significant experience and exposure to accounting and financial reporting issues as the current President of R.L. Phillips Investments Inc., a private investment firm, as President and Chief Executive Officer of the BCR Group of Companies from 2001-2004, as Executive Vice President of MacMillan Bloedel Limited from 1999-2000, as President and Chief Executive Officer of PTI Group Inc. from 1998-1999 and as President and Chief Executive Officer of Dreco Energy Services Ltd. from 1994-1998. Mr. Phillips is Chairman of Precision Drilling Corporation and MacDonald Dettwiler & Associates Ltd. and a director of Axia NetMedia Corporation, Capital Power Corporation, EPCOR Utilities Inc., TerraVest Income Fund and West Fraser Timber Co. Ltd. Mr. Phillips received his Bachelor of Laws (Gold Medalist) and Bachelor of Science, Chemical Engineering (Hons) degrees from the University of Alberta. He has been a director of the Bank for 10 years.

Alan M. Rowe, B. Comm. (Hons, Gold Medalist), CA

Alan Rowe acquired significant experience and exposure to accounting and financial reporting issues in his current position as a Partner of Crown Realty Partners, as well as previous positions with Crown Life Insurance Company, which included Senior Vice President, Chief Financial Officer and Corporate Secretary, Vice President Finance and Vice President and Treasurer. Mr. Rowe received his Bachelor of Commerce (Hons, Gold Medalist) from Memorial University of Newfoundland, has been a Chartered Accountant since 1980 (Newfoundland Gold Medalist) and is a member of Financial Executives International. Mr. Rowe has been a director of the Bank for 14 years.

Pre-Approval Policies and Procedures Regarding External Auditors

As part of CWB's corporate governance structure, the Audit Committee annually reviews and approves the terms and scope of the external auditors' engagement. To further ensure the independence of the auditors is not compromised, CWB's policy requires that the Audit Committee also pre-approve all significant engagements of the auditors for non-audit services and monitor all other engagements.

Under the policy, the significant threshold for non-audit engagements is defined as any engagement for which the cost estimate exceeds 5% of the audit fee as outlined in the auditors' scope memorandum. Receiver/manager services provided by the auditors to borrowers of the Bank are not included in the definition of non-audit services under this policy but are reviewed by the Audit Committee on an annual basis.

All non-audit service engagements, regardless of the cost estimate, are required to be co-ordinated and approved by the Chief Financial Officer, or designate, to further ensure that adherence to this policy is monitored. All non-audit service engagements are reported to the Audit Committee on a quarterly basis.

External Audit Fees by Category

The following table lists the fees paid to KPMG, by category, during fiscal 2010 and 2009.

	Year Ended October 31, 2010 (\$)	Year Ended October 31, 2009 (\$)
Audit fees ⁽¹⁾	728,309	502,767
Audit-related fees	0	242,553
Tax-related fees	205,172	62,249
All other fees	13,129	5,080
Total fees	946,610	812,649

⁽¹⁾ KPMG are the auditors of National Leasing, which was acquired by the Bank on February 1, 2010. Audit fees paid to KPMG after that date and related to National Leasing are included in the 2010 totals.

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the Bank's annual financial statements, or services provided in connection with statutory and regulatory filings, or engagements and the review of the Bank's interim financial statements.

Audit-Related Fees

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. In 2009, additional fees were incurred as a result of accounting services related to a private placement and public offering of preferred units consisting of Series 3 Preferred Shares and Warrants.

Tax-Related Fees

Tax-related fees were paid for professional services relating to tax compliance, tax advice and tax planning. These services consisted of tax compliance, including the review of original and amended tax returns; preparation of senior management tax returns; tax planning and advisory services relating to common forms of taxation, including income tax, capital tax, goods and services tax, and property tax. In 2010, additional fees were incurred as a result of tax advisory services related to the acquisition of National Leasing.

All Other Fees

All other fees were paid for products or services other than the audit fees, audit-related fees and tax-related fees described above. These fees are comprised of fees associated with the administration of securitized leases and loans.

ADDITIONAL INFORMATION

Additional information relating to CWB may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities and securities authorized under equity compensation plans are contained in CWB's Management Proxy Circular for its most recent annual meeting of shareholders.

Additional financial information is provided in CWB's audited consolidated financial statements and Management's Discussion and Analysis for the year ended October 31, 2010, which is available at www.sedar.com and in the 2010 Annual Report.

Copies of the information referred to in this section may be obtained by writing to the Corporate Secretary, Canadian Western Bank, Suite 3000, Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, T5J 3X6 or via the Bank's website at www.cwbankgroup.com.

SCHEDULE A

MANDATE OF THE AUDIT COMMITTEE

Purpose of the Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities with respect to (a) the integrity of the financial statements and other financial information provided by Canadian Western Bank to its shareholders, the public and others, (b) the qualifications and independence of the external auditors, (c) the performance of the Bank’s internal and external auditors and (d) the adequacy of the Bank’s internal controls. For the purposes of this mandate, “Bank” means Canadian Western Bank on a consolidated basis.

Although the Audit Committee has the powers and responsibilities set forth in this mandate, the role of the Audit Committee is oversight. It is not the duty of the Audit Committee to conduct audits or to determine that the Bank’s financial statements are complete, accurate and in accordance with generally accepted accounting principles. The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of the Bank’s annual financial statements and reviewing the Bank’s quarterly financial information. Management of the Bank is responsible for the preparation, presentation and integrity of the Bank’s financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.

Organization of the Audit Committee

The Audit Committee shall be comprised of not less than three directors, one of whom shall serve as the Chair of the Committee, as determined by the Board. Each Committee member shall satisfy the independence, financial literacy and experience requirements of all applicable regulatory requirements (including Multilateral Instrument 52-110 *Audit Committees*), as such qualifications are interpreted by the Board in the exercise of its sound business judgment.

Meetings of the Audit Committee

In order for the Committee to transact business, two members of the Committee must be present and a majority of those present must be resident Canadians. The Audit Committee shall meet on a regular basis and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate, which shall occur at least once each quarter. Any member of the Committee or the external auditors may call a meeting. At least quarterly, the Committee shall have separate private meetings with the external auditors, the chief internal auditor and management to discuss any matters that the Committee or these groups believe should be discussed. The Chair, or in his or her absence another member of the Audit Committee, will preside at each meeting of the Audit Committee.

Reporting to the Board

The Committee shall report verbally after each meeting to the Board with respect to its activities with such recommendations as are deemed desirable in the circumstances.

Outside Advisors

The Audit Committee shall have the authority to retain, at the Bank’s expense, independent advisors and consultants to advise the Audit Committee as it determines necessary to carry out its duties and to fix the remuneration of such advisors and consultants. The Audit Committee may request any officer or employee of the Bank, or the Bank’s internal or external auditors or legal counsel to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

Duties and Responsibilities of the Audit Committee

The Audit Committee shall have the following specific duties and responsibilities:

- review the annual audited financial statements, Management's Discussion and Analysis ("MD&A"), the Annual Information Form and other annual public documents of the Bank containing financial information and report thereon to the directors before approval is given;
- review the quarterly reports to the shareholders, including the unaudited interim quarterly financial statements and the quarterly MD&A and report thereon to the directors before approval is given;
- review the Bank's earnings press releases before the Bank publicly discloses this information;
- discuss major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application of accounting principles, analyses prepared by management or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements of the Bank, its federally regulated subsidiaries and such other subsidiaries designated from time to time by the Board (collectively, the "Canadian Western Bank Group");
- meet with the external auditors to discuss the annual and quarterly financial results and the returns referred to within this mandate and receive the auditors' reports thereon;
- recommend to the Board the appointment of the external auditors for Canadian Western Bank Group, who shall report directly to the Committee. Review the terms of the external auditors' engagement, their level of remuneration, the audit plan, any proposed changes in accounting policies, their presentation and input concerning significant risks and key estimates and judgments of management;
- resolve disagreements between management and the external auditors regarding financial reporting;
- review the independence of the external auditors;
- review and approve the policy for non-audit services to be completed by the external auditors, which includes an established definition of what constitutes non-audit services and a requirement for pre-approval for all but de minimus engagements. The Committee may delegate to one or more Committee members the authority to grant approval of such services, provided the decisions of such members are reported to the full Committee at its next meeting;
- review and approve hiring policies regarding employees and former employees of the present and former external auditors of Canadian Western Bank Group;
- require the management of the Bank to implement and maintain appropriate internal control procedures, including procedures designed to identify, monitor and manage audit-related risks. Review, evaluate and approve those procedures;
- meet with the Chief Internal Auditor of the Bank and with management of the Bank to discuss reports on internal audit activities and findings and the effectiveness of the internal control procedures established for the Bank. Review the mandate and annual plan of the internal audit department;
- review correspondence received from regulators and external auditors, together with management's responses thereto, concerning the effectiveness of internal controls and other matters that fall within the responsibility of the Committee;

- review such returns of Canadian Western Bank Group as the Superintendent of Financial Institutions may specify;
- review such investments and transactions that could adversely affect the well-being of Canadian Western Bank Group as the external auditors or any officer of the Bank may bring to the attention of the Committee;
- review a quarterly report from the Loans Committee of the Board concerning the quality of the loan portfolio and the adequacy of the allowance for credit losses and recommend to the Board accounts for writeoff;
- review the appointment of the Chief Financial Officer and the Chief Internal Auditor of the Bank as well as any Chief Financial Officer of an entity within Canadian Western Bank Group;
- review periodically the Code of Conduct for senior financial officers;
- review a quarterly report from the Bank's Disclosure Committee;
- act as the audit committee for Canadian Western Bank Group, including the review of the annual audited financial statements and report thereon to each respective board before approval is given;
- meet annually with the appointed actuary of Canadian Western Bank Group's federally regulated insurance company subsidiary and receive a triennial report regarding the external review of the appointed actuary;
- establish procedures for the receipt and handling of complaints received by Canadian Western Bank Group regarding accounting, internal accounting controls, or auditing matters and establish procedures for the confidential, anonymous submission by employees of the Canadian Western Bank Group of concerns regarding questionable accounting or auditing matters;
- review and assess annually the adequacy of its mandate; and
- prepare any report from the Committee that may be required to be included in the Bank's management proxy circular or that the Board elects to include on a voluntary basis.

This mandate was last reviewed and approved by the Board on December 6, 2010.