



SHARED VISION

2011 CORPORATE SOCIAL RESPONSIBILITY REPORT
AND PUBLIC ACCOUNTABILITY STATEMENT



Shared vision

Canadian Western Bank (CWB or the Bank) began operating in 1984 with a shared vision of what a unique, western-based bank could offer its clients, employees and shareholders. The primary objective of the Bank's founders was to help business and personal clients realize their financial goals while creating ongoing growth and value for CWB shareholders. They believed the best way to achieve this was to support the development of a service- and team-focused culture that encouraged employees to reach their full potential. They also had a clear understanding of the importance of being a good corporate citizen in the communities where we work and live. After building on these basic principles for almost three decades, we've grown to become Canadian Western Bank Group (CWB Group), a leading Canadian financial services organization operating across multiple pillars of the financial services industry. Today, we are proud to say the entire CWB Group has a shared vision of what being a good corporate citizen is all about.

This is CWB Group's second annual Corporate Social Responsibility (CSR) report. The purpose of this report is to share our achievements and results in relation to Public Accountability Statement (PAS) requirements that are mandatory for any Canadian financial institution with more than \$1 billion of shareholders' equity. Although reporting on our CSR activities is still relatively new, many of these requirements have been part of our shared vision from the very start. We strengthen our communities and support the well-being of our clients, employees and shareholders by giving back to social programs, charitable organizations and other initiatives that we believe in. We also encourage our employees to dedicate their time and talent to further improve the quality of life for others.

While being a good corporate citizen is part of the way we do business, we continuously work to further enhance our overall performance. This report outlines some of our successes, touches on our priorities, and offers a glimpse of how we intend to achieve our shared vision by doing what we do, only better.

Canadian Western Bank Group invites you to provide comments or feedback on our CSR policies and initiatives at cwbankgroup.com/csr.

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Canadian Western Bank Group's Year in review

CWB Group is comprised of the Bank and its eight affiliate companies and operating divisions. With approximately \$15 billion of total assets, CWB is the largest publicly traded Canadian bank headquartered in Western Canada.

Total banking branches	40
New banking branches opened in 2011	1
Total ABMs	28
New ABMs opened in 2011	1
Fiscal 2011 total revenue (teb) ⁽¹⁾ (\$ millions)	\$ 491.0
Fiscal 2011 net income (\$ millions)	\$ 178.1

⁽¹⁾ Most banks analyze revenue on a taxable equivalent basis (teb) to permit uniform measurement and comparison of net interest income. Taxable equivalent basis does not have a standardized meaning prescribed by generally accepted accounting principles and, therefore, may not be comparable to similar measures presented by other banks.

1,939

Total employees

\$141,865

Total salaries and
benefits (\$ thousands)

600,000+

Total clients

\$1,553,672

Total giving (donations
and sponsorships)

Total income and
capital taxes paid

\$64 million

Provincial

\$22 million

Federal

\$42 million

About CWB Group

About this report

Canadian Western Bank Group's 2011 Corporate Social Responsibility (CSR) Report and Public Accountability Statement (PAS) reports factual information as required by the Government of Canada's Public Accountability Statement regulations (section 459.3(1) of the *Bank Act*). Information provided in this report pertains to our most recent fiscal year (November 1, 2010 to October 31, 2011).

Our 2011 CSR Report and PAS includes information on CWB and each of its subsidiary companies. Following are the prescribed affiliates whose relevant activities are included in this Public Accountability Statement, as required by the *Bank Act*:

- Adroit Investment Management Ltd.
- Canadian Direct Insurance Incorporated
- Canadian Western Financial Ltd.
- Canadian Western Trust Company
- National Leasing Group Inc.
- Valiant Trust Company

In accordance with PAS guidelines, we are making this information available to all stakeholders – customers, employees, shareholders, community members and environmental groups – in print and online at cwbbankgroup.com/csr.

CWB Group

CWB Group is comprised of Canadian Western Bank and its eight affiliate companies and operating divisions, which collectively offer services in the areas of banking, trust, insurance and wealth management. We serve clients through our 40 banking branches, a centralized equipment leasing office, eight trust locations, two insurance call centres, one wealth management location and corporate headquarters.

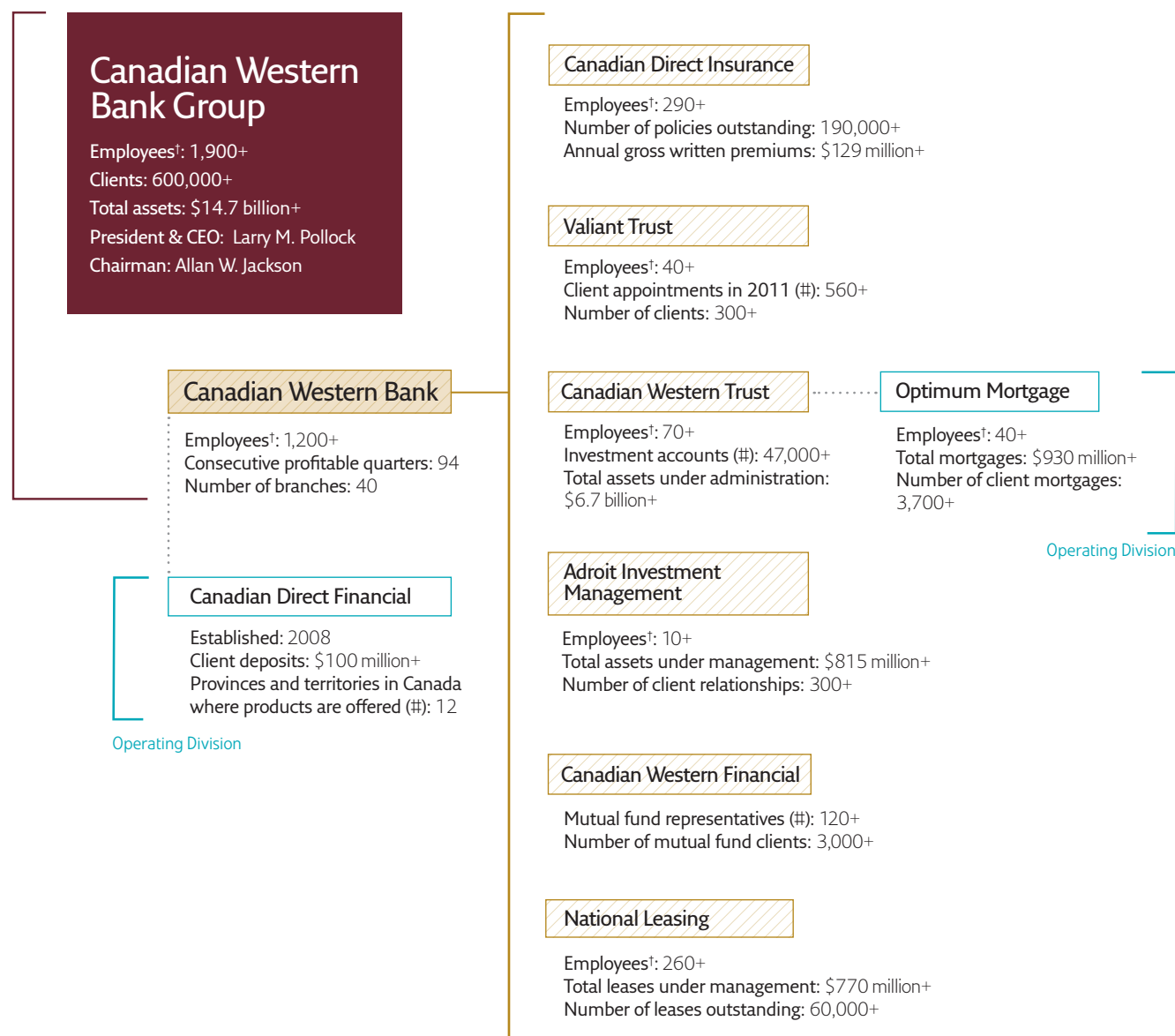
As the largest publicly traded Canadian bank headquartered in Western Canada, we have combined balance sheet assets of approximately \$15 billion, including more than \$12 billion of total loans. In 2011, assets under administration surpassed \$9 billion and assets under management approached \$1 billion. Today, CWB Group's 1,900-plus employees serve the needs of more than 600,000 clients located in communities across Canada.

We have a unique understanding of the opportunities and challenges that exist in our key markets. One of our core strategies is to continually build our presence across the four western provinces; however, we are also expanding our reach in select business areas across the country. Our conservative growth strategies, strong capital base and ongoing focus on proven business fundamentals have helped us realize 94 consecutive profitable quarters.

Our business success has not only benefited clients, employees and shareholders, it has allowed us to invest increasing amounts of time, money and resources in our corporate social responsibility activities.

CWB Group at a glance

Canadian Western Bank, along with its subsidiaries and operating divisions, comprise Canadian Western Bank Group



† Includes both full- and part-time employees

Message

from Larry Pollock, President and Chief Executive Officer

When I first joined CWB over 22 years ago, the term "Corporate Social Responsibility" didn't exist, but the ideas that helped create it did. We've always considered good corporate citizenship to be an important part of how we do business. For us, this involves managing our social responsibility efforts with the same common-sense approach we use to run our businesses. We do this by staying focused on what we do best, and by embracing our culture and the things that make us different, such as our commitment to build lasting business relationships.

For CWB Group, being a good corporate citizen means we always look for ways to give back to our communities. We support charitable groups and organizations that make life better for the people who live and work where we do business. At the same time, we create opportunities for our employees to grow and learn, so they can realize their personal and professional goals. And we make it easy for clients to do business with us by offering sensible loans and creating products and services that meet their diverse range of financial needs. We maintain the highest standards of ethics and professionalism as we support Canada's economic prosperity. We also take pride in our ability to manage and grow the investment of CWB shareholders. Today's expectations around corporate social responsibility simply formalize what we've done all along.

As President and CEO, I'm tremendously proud of our accomplishments, particularly the way we've supported our employees as they've worked toward their goals. Our employees understand the importance of putting people and communities first, and are integral to the many positive impacts we make as an organization.

One of our strategic themes for 2012 and beyond is to "do what we do, only better," and this certainly applies to our corporate social responsibility practices. While we're proud of what we've done so far, we know there's always room for improvement. This includes enhancing our ability to effectively track and measure our overall CSR performance and impact. Looking forward, we intend to explore new strategies and initiatives to help us further expand and improve our CSR activities. We believe these actions will continue to enhance our reputation as a good corporate citizen while providing a steady return for our shareholders, essential financial services for our clients and a culture of choice for our employees.

Sincerely,



Larry M. Pollock



Working together for our clients

We've always believed our most important job is to provide our clients with the products and services they need to succeed. One of the ways we strive to differentiate ourselves from other financial institutions is by building stronger business and personal relationships.



Janessa Donald, Sales and
Service Representative, CWB

We are committed to provide exceptional customer experiences and offer specialized expertise across our chosen business areas. CWB Group's vision statement is to "be crucial to our clients' futures." Whether a client's definition of success involves growing their business, buying a home, sending their kids to college, or preparing for retirement, we're here to meet their changing needs and help them reach their goals.

Making banking easier

We believe everyone deserves the chance to benefit from the products and services we offer – including the many Canadians living on low incomes. That's why we offer all our customers a flexible, low-cost chequing account for as little as \$4 per month. And because we believe basic banking is an essential service that should be accessible to all Canadians, we've created services geared specifically to the needs of youth, seniors and students. These services offer lower fees, specialized features and additional financial choices.

To help young Canadians get off to a good start, we waive monthly account fees for youth under 18, and for students pursuing post-secondary education. More than 30,000 clients aged 57 or older currently enjoy the benefits of our no-fee Gold Leaf Plus[®] account. We also offer seniors the choice to receive monthly interest payments on their Guaranteed Investment Certificates (GICs), as well as reduced fees for safe deposit boxes.

We know many new Canadians face language barriers as they access the financial services and support they need. The diversity of CWB Group's more than 1,900 team members allows us to communicate with clients in multiple languages. As an example, CWB's new branch in Richmond, BC offers a full complement of financial services in both English and Chinese languages. This flexibility makes it easier for customers to ask questions and convey important information without fear of being misunderstood or misinterpreted. It creates a banking experience that is welcoming for everyone.

Angela Chan, Account Manager of Retail Banking for CWB's new branch in Richmond, BC, works hard to understand her clients' needs. The Richmond branch is CWB's newest location offering services in both English and Chinese languages.

Removing barriers

We work hard to ensure all our facilities are accessible to customers and employees with varying levels of mobility. Every branch is wheelchair accessible with automatic doors, wider entrance ways, and a variety of sit-down banking alternatives. We've ensured that all new construction projects are universally accessible, with features that make it easier for customers to do their banking in person – regardless of their age or mobility challenges. A broad range of our banking, trust and insurance services are also offered online or by telephone. These options give clients flexibility to manage their unique needs from the comfort of their home or office, whenever it's convenient for them.

Educating young Canadians

Financial experts agree if we teach young people how to manage their money while they're still in school, they'll have an easier time reaching their financial goals as adults. That's why CWB Group works to enhance the financial knowledge of young Canadians by participating in programs, presentations and initiatives designed to teach financial literacy. CWB Group recently made a three-year commitment to partner with Junior Achievement Charters in Alberta to support their *Economics for Success* program. *Economics for Success* encourages students to remain in school by teaching them more about the personal and economic costs of not completing their education. Students in the program are given important information

about the many opportunities education makes available, while also developing basic financial knowledge and skills to help them succeed as adults. In particular, students are introduced to the concept of budgeting so they can make more informed and practical spending decisions. CWB Group provides both financial and volunteer support, which includes sending team members into Alberta classrooms to provide instruction.

We're also involved with the Canadian Bankers Association's *Your Money* program, which helps promote financial literacy in homes and classrooms across the country. This program offers a variety of resources for students, parents and teachers, including classroom seminars on how to teach responsible money management to teens.

Resolving complaints

Although we take pride in providing exceptional customer service, we also know mistakes sometimes happen. Our complaint resolution process provides a clear route for addressing and resolving issues when a customer is unhappy with an experience or dissatisfied with an outcome.

CWB complaint resolution process



There when you need us

One of the cornerstones of providing exceptional service is being located where your clients need you most. For CWB, this means serving clients through our expanding network of branch offices and automated banking machines (ABMs). In total, CWB operates 40 banking branches and 28 ABMs. In 2011, we opened one new full-service branch at 4991 No. 3 Road in Richmond, BC. We added one new ABM at the Richmond branch and also completed significant upgrades to our existing ABM infrastructure. No branches or ABMs were closed in 2011.

Respecting privacy

CWB Group maintains high standards to ensure our clients' privacy and personal information are protected. We follow all applicable privacy laws and clearly articulate our privacy policies and procedures. CWB Group's Employee Conduct Policy outlines standards for the safe handling of clients' personal information, including what information can be accessed by employees.

CWB Group's Chief Privacy Officer monitors privacy rules and regulations to ensure compliance. Ongoing training is also provided to all staff. We share our privacy policies with clients in person, as well as through agreement forms in our brochures and on our website. To learn more about our privacy policies, please visit cwbank.com/privacy.

Measuring customer satisfaction

We conduct customer feedback surveys to measure how we're doing and identify ways to further improve our client service. Information gathered from these surveys is used to refine our processes, develop new products and improve our communication with customers.

We also receive valuable customer feedback from external sources. In 2011, Canadian Direct Insurance (Canadian Direct) was named *Highest in Customer Satisfaction Among Auto Insurers in Western Canada* by J.D. Power and Associates in its 2011 Canadian Auto Insurance Study.*



"We enjoy dealing with Canadian Direct Insurance because of their excellent customer service, and because they save us money on our insurance costs. The staff are true insurance professionals who make us feel special and valued."

Bruce and Audrey Allen, Canadian Direct Insurance customers



Bruce and Audrey use Canadian Direct to insure a fleet of vehicles for their Vancouver-based business.

* Canadian Direct Insurance received the highest numerical score among auto insurance providers in Western Canada in the proprietary J.D. Power and Associates 2011 Canadian Auto Insurance Customer Satisfaction StudySM. The study is based on 11,286 total responses measuring 11 providers in Western Canada (AB, BC, MB, SK) and measures consumer satisfaction with auto insurance providers. Proprietary study results are based on experiences and perceptions of consumers surveyed in July-August 2011. Your experiences may vary. Visit jdpower.com

Working together for our employees

Our success over the past 27 years has been fuelled by the talent, dedication and enthusiasm of our 1,900-plus employees. They not only share the Bank's vision of what a good corporate citizen should be – they helped shape it. In return, we offer them competitive salaries, outstanding benefits, and opportunities to learn, grow and advance in their careers. We also encourage employees to create stronger, healthier communities by volunteering their time to charitable groups and organizations that are important to them.



CWB Group employees by province

	Full-time	Part-time
British Columbia	626	26
Alberta	889	47
Saskatchewan	61	4
Manitoba	249	5
Ontario	25	
Quebec	2	
New Brunswick	3	
Nova Scotia	1	
Newfoundland	1	

Pamela Choi, Employee Relations Specialist, CWB



Jennifer Yuen, Manager of Retail Banking for CWB, and Matt Evans, Director of Business Development for Adroit Investment Management, work together to enhance their collective expertise and help our clients.

Supporting diversity

The diversity of CWB Group's employees encompasses many different cultures, ethnicities, religions and social backgrounds. We are an equal opportunity employer that works in accordance with the federal *Human Rights Protection Act*, but this diversity is also the result of hiring employees who share our values and commitment to a strong corporate culture. We hire people who are a good match and promote them based on performance, giving every employee the same opportunities for advancement, training, rewards and recognition. We do this because we take pride in being an employer of choice, and we know great employees create great experiences for our clients.

Creating training and development opportunities

All CWB Group employees are encouraged to strengthen their existing talents and develop new skills. Ongoing development opportunities are essential as individuals strive to reach their personal and professional goals. We also believe employees who have opportunities to grow professionally are more satisfied in their careers and are more likely to share in CWB Group's long-term success.

We dedicate considerable time and resources to provide timely, relevant training and development opportunities. Our CWB Learning Centre is an internal website developed to provide valuable management and leadership training. Throughout 2011, we continued to add new tools and resources to the site, including several interactive videos and webinar demonstrations focused on topics such as privacy and career path opportunities. In addition, we offer a range of traditional learning and professional development options, such as company orientation days, in-house training programs and choices for external education opportunities. In 2011, we opened a new training centre in Calgary so our employees in southern Alberta could receive hands-on training a little closer to home. This is our third corporate training centre and it complements the existing locations in Edmonton and Vancouver.

We provide employees with up to 100 per cent reimbursement of tuition and related expenses for qualifying external education programs and professional dues. In 2011, we invested \$1,751,438 in employee training and development to help increase our collective knowledge and support career advancement opportunities.

Encouraging work/life balance

As much as we love the work we do, we know it's important to balance professional success with personal fulfilment. Our CWBalance® program helps employees create a work/life balance that encourages healthier workplaces and richer lives. As part of the program, new full-time employees start with a minimum of three weeks paid vacation. Each employee is also entitled to a CWBalance Day, which is an additional paid day off for employees to do whatever they choose.

Employees who are invested in CWB Group's success

One of the reasons many shareholders invest in CWB Group is because they recognize our consistent performance and exceptional track record. Our employees see us as a good investment too. Today, more than 94 per cent of CWB Group employees are shareholders through our Employee Share Purchase Plan (ESPP). Through the ESPP, CWB Group matches an employee's dollar contribution up to 50 per cent to a prescribed maximum based on their tenure and position. CWB Group also provides an automatic two per cent ESPP contribution for all eligible staff members below the management level. We've done extensive comparisons in this area of compensation and believe CWB Group's ESPP is one of the best plans of its kind in Canada.

Employee Referral program

Our existing employees have the best understanding of what a great place CWB Group is to work. Our *Employee Referral* program, launched in 2001, was created to encourage our employees to refer potential candidates for available positions. We offer employees a \$1,500 payment for referrals that result in a successful hire. This is now one of our most successful recruitment strategies, as demonstrated by the 757 people we've hired over the past decade based on referrals from our employees.

Finding the right fit

We're always on the lookout for people who share our values and appreciate the importance of CWB Group's culture. While we continue to hire through our *Employee Referral* program and more traditional recruitment strategies, we've recently begun exploring the use of social media as a recruitment tool. Social media platforms such as Twitter and LinkedIn allow us to connect with potential employees across Canada and share information about the opportunities CWB Group can offer. In 2011, we made our first new hire based on a social media referral and will continue to use social media as a part of our overall recruitment strategy.

We recently revamped our existing recruitment materials to ensure they reflect CWB Group's shared vision and culture. The fresh design and updated information will give potential employees a better sense of what makes CWB Group a great place to work.

Mickie Roesch, Manager of Recruitment for CWB, is always on the lookout for new employees to join our team.



Measuring employee satisfaction

One of the best ways to measure employee satisfaction is to look at how long people stay with an organization. We're proud of our relatively low employee turnover rate, which is demonstrated by our many long-term employees, including some who have been with us since our predecessor companies were first chartered. We work hard to make CWB Group a place where employees want to stay and grow in their careers by offering competitive compensation and benefits, creating opportunities for them to advance, and encouraging a healthy work/life balance.

Our success in being an employer of choice was recognized in 2011 through our placement as one of the *50 Best Employers in Canada* for a sixth consecutive year. The recognition is sponsored by *Maclean's* magazine and is based on employee feedback obtained from surveys focused on principles of employee engagement. *Maclean's* describes the companies selected among the *50 Best Employers in Canada* as "driven by leadership, rewards, workplace culture and values, productivity, and the support of performance and development." Not surprisingly, this description is strikingly similar to our approach to earning employee loyalty. We're humbled by the award, but are also proud of this confirmation that CWB Group employees appreciate us as much as we appreciate them.

Listening to our employees

We've always recognized how important it is to listen to what our employees have to say about their work environment and future goals. In addition to participating in the *50 Best Employers in Canada* surveys, we conduct our own internal satisfaction surveys. In 2011, we hosted focus groups in Edmonton, Calgary and Vancouver to gain employee feedback and suggestions about how we can better support our employees in their careers. As a result, we've created a number of new initiatives designed to meet their needs.

Our new Department Career Pathing program maps out the various career paths employees can pursue as they work to advance in their careers. This initiative started in CWB's centralized services area, but we plan to implement similar programs in other departments and areas across CWB Group. We believe career and personal development go hand in hand, and encourage the creation of personal development plans. We will continue to listen to employees as we develop resources that support their success.

CWB employees team up with friends and family to participate in the 2011 BC Children's Hospital ChildRun.



Taking care of each other

CWB Group cares about our employees, and when one of our own is faced with a crisis, we look for ways to offer our support. This was the case when Dave Campbell, a CWB account manager in Victoria, BC, received the devastating news on Christmas Eve 2010 that his 28-day-old daughter, Molly, had been diagnosed with acute lymphoblastic leukemia. When coworkers heard of the diagnosis, they were quick to rally behind the Campbell family and support the BC Children's Hospital where Molly was being treated. Employees from across the Lower Mainland joined the Campbell's friends and family to participate in the 2011 BC Children's Hospital ChildRun. The 5km run/walk is held each June in Vancouver to raise funds to support life-saving care and improved treatments for kids with cancer. In total, the team raised \$14,747, which included a CWB Group *Funds for Fundraisers* grant. We're happy to report that Molly is now in remission, and Dave and his family have since returned home to Victoria.

Working together for our communities

Our vision of what it means to be a good corporate citizen has always included giving back to the communities where we live and work. From the start, we set out to support charitable groups and organizations that improve the quality of life in our communities. We do this because we know it is the right thing to do.

Employee volunteerism

CWB Group's community contributions include charitable donations, sponsorships and volunteer support, in addition to the many ways our employees support initiatives that are important to them. Our employees share our vision of what it means to be a good corporate citizen, and lead by example through volunteering thousands of hours to groups, causes and events that enrich our communities. These commitments often involve countless hours of personal time that continue long after the workday ends.

Sometimes volunteer hours involve a physical commitment, like when our employees in Edmonton and Calgary participated in a Corporate Challenge fundraising effort in support of the Heart & Stroke Foundation of Alberta, NWT & Nunavut. Together, the teams raised \$27,592 in 2011 by participating in the 20-minute Heart & Stroke Big Bike ride on a bicycle built for 30 people. This annual event also helps draw attention to the importance of heart health.

Angela Saveriaux, Community Investment Manager, CWB



To kick off this year's The Greater Interest GIC® campaign, CWB employees were challenged to decorate a special chalkboard mug and send in a photo for a chance to win various prizes. Brandy Shankland (left) and Rebeca Lacanilao (right) from our Lethbridge branch show off the creative designs that helped their branch win for Best Team Effort. The spirit and commitment our employees demonstrate in supporting their local Big Brothers Big Sisters organizations is what makes The Greater Interest GIC® campaign so successful.

Employees from our Saskatoon branches worked together in support of Habitat for Humanity Saskatoon. The participating team members from our two branches wore volunteer T-shirts and hard hats in advance of the scheduled building day to increase awareness and spark discussion with clients. On the day of the build, 15 employees and spouses dedicated their time to help construct a safe and affordable home for a hard-working family.

In Vancouver, employees from Canadian Direct Insurance once again participated in the annual Keep Vancouver Spectacular street cleanup. This year, the event fell on the day after the Stanley Cup riot damaged so much of Vancouver's downtown. Employees at Canadian Direct led a cleanup effort to remove debris and help restore Vancouver to the beautiful city for which it's known. Our hands-on efforts were rewarded with high-fives, cheers and doughnuts from passersby, as well as the *2011 Golden Dustpan Award* from the City of Vancouver.

Some of our volunteer efforts are less physically demanding, but are equally rewarding. In August 2011, 25 employees from our Calgary branches visited the Calgary Drop-In and Rehab Centre Society to tour the facility and serve lunch to residents. This visit followed a \$30,000 donation made by CWB to support the society's Sundial project, a 119-suite affordable housing complex in downtown Calgary. The facility's main objective is to offer resources and support to help tenants re-integrate themselves into mainstream society.

In Winnipeg, employees from National Leasing co-ordinated a clothing drive that collected more than 30 garbage bags full of gently worn clothing and footwear. The items were delivered to a community centre in a local Winnipeg neighbourhood identified as having one of the highest poverty ratings in Canada. The team at National Leasing also held raffles, sold ice cream and organized a lottery to raise funds in support of the Winnipeg Humane Society.

Charitable donations and sponsorships

CWB Group invested \$1,553,672 in charitable donations and sponsorships to help our communities in 2011. These funds supported a wide range of activities and causes, but most of our community investment dollars were directed toward our three target areas:

- health, wellness and caregiving;
- education; and,
- community and civic service.

We choose to invest where we believe we can make the most impact toward improving the lives of people in our communities. Within each of our priority areas, we support dozens of community agencies, charitable organizations, fundraising campaigns, scholarships, awards and programs.



"I appreciate that CWB Group encourages me to share my time, expertise and energy with causes I care about. I want to give back to the community the equivalent of what I take from it, and I am grateful that CWB supports me in doing that."

Hussein Bhanji, Senior Manager, Commercial Banking, CWB and Co-chair of CWB's Edmonton United Way campaign.



Across our entire geographic footprint, we are long-time supporters of the United Way, which brings people and resources together to build vibrant communities. Each year, our employees invest countless hours raising both funds and awareness for the United Way. Our most recent campaign raised \$489,765 through everything from chocolate sales to online auctions. The work done by the United Way is a perfect fit with our focus on community and civic service.

We are also ongoing contributors to numerous other groups and organizations, including the National Youth Orchestra of Canada, which is dedicated to perfecting the skills and talents of young Canadian musicians who aspire to be professional orchestra players. In both 2010 and 2011, CWB Group sponsored 22 students from Western Canada so they could participate in the Orchestra's intensive summer session program. This valuable learning opportunity, among many other examples, is consistent with our focus on education.

In Coquitlam, BC, we support the Share Family and Community Services Society, which feeds about 950 households every two weeks at its Port Moody, Port Coquitlam and Coquitlam depots. In May 2011, the society held a food drive that was kick-started with a \$7,500 donation from CWB's Coquitlam branch and food donations collected by our employees. We're also involved in dozens of similar campaigns and initiatives that support health, wellness and caregiving in other communities where we work and live.

Hussein Bhanji (left), Senior Manager, Commercial Banking, is an active supporter of his community, volunteering time to many groups and charities, including the World Partnership Walk, for which he received an *Employee Volunteer* grant. Carolyn Graham (right), Senior Vice President and Chief Accountant of CWB, received an *Employee Volunteer* grant for her work with Habitat for Humanity Edmonton.

Much of our community involvement is driven by the tireless efforts of our employees. Not only do they volunteer their time and energy to various charitable groups, they also champion causes to increase awareness. The energy, enthusiasm and compassion of our employees inspired us to create our *Western Spirit* program, which encompasses both our *Employee Volunteer* and *Funds for Fundraisers* grants.

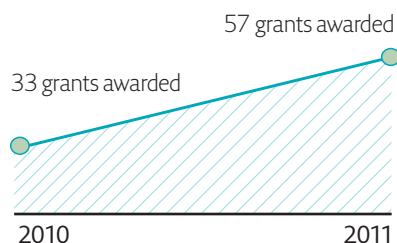
Launched in 2008, the *Western Spirit* program has invested more than \$78,000 back into our communities.

Helping employees help our communities

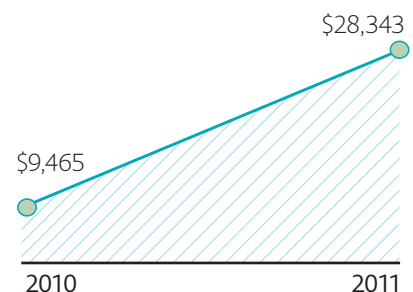
Our *Employee Volunteer* grant offers \$250 to an employee's charity of choice when he or she volunteers 50 hours or more of their own time within the community. We awarded 57 *Employee Volunteer* grants in 2011, totaling \$14,250 in donations to community groups and other organizations. This compared to 33 grants totaling \$8,250 in 2010, which represents growth in participation of more than 70 per cent. Some of the organizations supported through our *Employee Volunteer* grants in 2011 included the Tree Canada Foundation, Okanagan Central Small Dog Rescue Society, Sexual Assault Centre of Edmonton, Community Foundation of Medicine Hat and Southeastern Alberta, and Cystic Fibrosis Canada.

CWB Group's *Funds for Fundraisers* grant matches the donations our employees raise through individual or team-related charity events to help increase the monetary impact of their efforts. Employees can apply for an individual grant up to a maximum matching contribution of \$250, or a team grant to a maximum matching contribution of \$1,500. In 2011, we donated a total of \$28,343 for 38 matching grant requests. This represented growth of more than 200 per cent in CWB Group's dollar contribution toward this program compared to 2010, when we awarded 19 grants totaling \$9,465. Some of the organizations that received support through our *Funds for Fundraisers* grants in 2011 included the Heart & Stroke Foundation of Alberta, NWT and Nunavut, the Stollery Children's Hospital in Edmonton, the BC Cancer Foundation, the MS Society of Canada and the Prostate Cancer Research Foundation.

Employee Volunteer grants



Funds for Fundraisers grants



Facebook allows us to engage in conversations about CWB Group's community investment and raise awareness about initiatives like The Greater Interest GIC®.



Putting social media to work

In our efforts to stay connected with stakeholders and increase awareness of CWB Group's community involvement, we recently began using social media as a way to reach new and existing clients. Launched in September, the *CWB Group In the Community* Facebook page (facebook.com/CWBcommunity) features information on our community investment activities, provides updates on our community fundraising efforts and photos of our employees volunteering in their communities. It also allows us to chat with clients and stakeholders, while providing Facebook fans with a way to make suggestions, share ideas and ask questions about what CWB Group is doing to help.

Our Twitter account (@CWBcommunity) was created with a similar goal, and lets us strike up conversations about our community investment initiatives and other community activities. Twitter is an excellent tool to share information with a broader audience, including our partners at charitable organizations.

Encouraging community investment

The Greater Interest GIC® was created to give our clients an opportunity to help their local community while also strengthening their own financial futures. Based on an idea submitted by an employee, for every dollar a client invests in The Greater Interest GIC®, CWB makes a corporate donation of 1/8 of a per cent to the local Big Brothers Big Sisters (BBBS) agency where the deposits were raised. Since its launch in 2008, we've donated more than \$845,000 through this program to support youth across Western Canada. Following on the success of The Greater Interest GIC®, in 2010, we created an online product – the KeyGiving GIC® – offered through Canadian Direct Financial (canadiandirectfinancial.com). Client investments in the KeyGiving GIC® result in a similar donation by CWB to the national office of BBBS.

As part of this year's The Greater Interest GIC® campaign, we introduced a Facebook promotion that asked clients to take a more active role in spreading the word about BBBS through social media. Visitors were asked to choose two friends who take a greater interest in their communities, and invite them to select a community investor badge. For each nomination and badge accepted, CWB donated an additional two dollars to Big Brothers Big Sisters Canada.

Supporting diversity

CWB Group is committed to supporting diversity in our communities. We are long-time sponsors of many organizations committed to help Aboriginal Peoples realize their potential, including the Institute for Aboriginal Women *Esquao Awards* and Aboriginal student scholarships at the University of Alberta. We also support organizations like the Alberta Association for Community Living, the Canadian Institute for the Blind and Chrysalis – An Alberta Society for Citizens with Disabilities.

Planning for the future

We reviewed our community investment commitments in 2011 to help formalize a process for creating longer term and larger community investments. The review committee included representatives from across multiple areas of CWB Group and gave us an opportunity to better evaluate needs and opportunities. The process also helped us articulate our community investment strategy to identify better ways to distribute our support across our key geographic footprint. It will also make it easier for us to review our community investment allocation so we can more accurately measure the impact of our support.

Working together for the environment

Environmental responsibility is more than good business – it's common sense. The places where we work and support economic success are the same places where we live, play and raise our families. That's why we're constantly working to find new ways to reduce our environmental impact while using resources wisely. It's also why we encourage clients, employees and other stakeholders to do the same. Environmental responsibility is, and always has been, an important part of our shared vision of what a good corporate citizen can and must do to ensure a sustainable future for the communities we call home.

Managing our resources

Maybe it's our western sensibility, but just like our approach to growth, we've always been conservative with our resources. We've made a point to not build oversized buildings or spend more than necessary. And we've always encouraged employees to reuse whenever possible. In recent years, we've taken a more organized approach to reducing, reusing and recycling by implementing more sustainable practices in our branches and offices. From using online statements, tools and processes to reduce our paper usage, to providing staff with reusable travel mugs, we're making sustainability a part of the way we do business.

Canadian Direct Insurance is taking the commitment to reduce our carbon footprint even further, and has begun measuring its Greenhouse Gas Emissions (GHGs). Canadian Direct set a goal of reducing GHGs from its operations by 15 per cent by 2015 and, over the past two years, undertook specialized training while working with external consultants to improve the accuracy of its GHG measurement. This initiative is just one of the reasons Canadian Direct was named a *Corporate Climate Leader* by the City of Vancouver.



Andy Chen, Senior Internal Auditor, CWB and Green Team Member

Data centre conversion

CWB Group's Information Services team completed an extensive conversion of our data centre storage in 2011 that has already had a dramatic impact on our energy use. Our new data centre uses server virtualization technology to store more data in less space. This conversion is not only more efficient from a business perspective, it also results in substantially lower cooling and electrical costs. Through this initiative alone, we have already realized annual energy savings of more than 1,884,000 kWh – which is equivalent to planting 4,472 trees, taking 253 cars off the road or eliminating 2,982,614 pounds of CO₂ emissions.



The new data centre at CWB Group's corporate office stores more data in less space, which saves money and reduces our impact on the environment.

Responsible lending

Our commitment to the environment also guides the due diligence in our lending decisions. We evaluate potential environmental risks as part of our credit-granting process. Although we are committed to supporting our clients in growing and expanding their businesses, if potential environmental risks are identified that cannot be resolved to our satisfaction, we'll deny the application.

Environmental by design

One of the best ways to ensure your buildings are environmentally responsible is to build them that way from the start. In 2010, we initiated a design competition for students from the Northern Alberta Institute of Technology's (NAIT) Architectural Technology program to explore sustainable design and construction techniques for our new branches. This partnership allows students to create real-world design solutions and offers them the chance to win monetary prizes from CWB. Select features of the winning design submitted in 2010, which incorporated green building technologies and materials, will be used in the construction of our new 24,000 square foot branch in Edmonton. In 2011, we continued our partnership with NAIT, undertaking a similar design contest for the construction of our new Winnipeg branch. Justin Burnett's design was the winner of the most recent competition. The design included a number of innovative features aligned with our key judging criteria: concept, aesthetics, functionality, sustainability, and corporate identity.



The winning contest design submitted by NAIT student, Justin Burnett, shows his rendition of what an innovative, functional and environmentally sustainable CWB branch could look like.



Employees leading our environmental actions

Many CWB Group employees have taken it upon themselves to create additional programs and strategies to raise awareness and minimize our environmental impact. Staff members at many of our branches and affiliate companies have assembled teams that encourage other employees to adopt environmentally friendly strategies and behaviours in both the workplace and at home.

Employees at Canadian Direct Insurance established their *EcoSquad* in 2008 to help facilitate a comprehensive workplace recycling program. Today, the Canadian Direct *EcoSquad* includes 15 members who do everything from volunteering with Keep Vancouver Spectacular to hosting a variety of educational events. These events include Earth Day celebrations and Turn it Off campaigns to remind staff to turn off energy-consuming electronics at the end of each day.

At CWB Group's corporate office, our 12-member *Green Team* has taken the lead on blue bag recycling and eliminated the use of plastic containers wherever possible. They led the transition to ceramic cups and stainless steel cutlery in corporate office lunchrooms, and also provide staff with monthly "Green Tips." Canadian Western Trust, Valiant Trust, National Leasing and several CWB branches also have teams who champion environmental initiatives and awareness. One particularly successful initiative was CWB Group's participation in Earth Hour 2011. More than 760 employees across 23 departments, offices and branches joined together to turn off all non-essential appliances for one hour. Given the success of our programs, we're now looking for ways to bring the teams together under a unified mandate so they can share additional ideas across CWB Group.

Giving clients environmental choices

We know our clients care about the environment too. That's why we've created products, services and options that let them support sustainability efforts. In addition to offering a range of online and telephone banking services, we provide the option to receive online statements or important documents via e-file. Canadian Western Trust and Valiant Trust are currently refining an online approval and database system for new client inquiries. Canadian Direct was the first Canadian insurance company to offer a premium discount for hybrid/fuel-efficient cars.

We know clients want environmentally sustainable options for their businesses as well. National Leasing's *Green Earth Solutions™* program was created to help customers build their business while also reducing their carbon footprint. Available to clients across Canada, the program leases renewable energy equipment such as solar panels, wind turbines, hybrid boilers, tankless water heaters and solar air heating devices to companies undertaking energy-efficient building projects. The program provides incentive for businesses to make energy-efficient choices while reducing overall energy costs.



Making the world a more beautiful place

Whether it's planting flowers outside our branches or volunteering to keep our communities clean, we work to make the places where we live better. Our Richmond Branch sponsored the creation of a rooftop garden at the Richmond Cultural Centre that utilizes innovative sustainable features such as recycled glass pebbles, troughs to capture rainwater, and edible trees and plants. The garden, which is part of CWB's ongoing community involvement with the City of Richmond, will host a variety of cultural and community events, including lessons on sustainable gardening.

CWB's sponsorship of the Richmond Cultural Centre's rooftop garden in BC demonstrates our commitment to giving back in the communities where we reside.

Working together for the economy

As Western Canada's largest publicly traded Canadian bank, we know we play an important role in supporting the economic health of many communities. We serve hundreds of thousands of businesses and individuals each year by offering loans and other financial services necessary for them to grow and expand their opportunities.

Our products and services help business people do what they do best so they can strengthen the economy by investing in their companies and creating more jobs. CWB Group's total loans outstanding further stimulate economic activity and growth, and grew by more than \$1.7 billion in 2011 to reach \$12.2 billion.

At the same time, we also work closely with personal clients to help them meet their financial goals. This includes offering the banking, trust, mortgage, insurance and wealth management services they need to realize their dreams and make their own impact on our economy.

Our history is an economic success story itself. In our 27 years of business, we have grown from a small bank with a handful of employees and a single branch to become a successful financial services organization that has more than 1,900 employees who serve 600,000-plus clients located across Canada. We have combined balance sheet assets of approximately \$15 billion, including more than \$12 billion of total loans. Our success creates opportunities for our clients, employees and shareholders to realize their own financial goals.

Our impact as an employer

As a growing financial services organization, CWB Group has a direct and measurable impact on our economy. The salaries and benefits we pay are reinvested where our employees live, shop, dine, play and pay taxes. Things like buying a house or car, spending on new clothes, going out to dinner, or taking the kids to soccer and hockey all contribute to economic growth.

In total, CWB Group invested more than \$141 million in salaries and benefits in 2011. We paid \$64 million in government taxes, which included \$42 million in federal taxes and more than \$22 million in provincial income and capital taxes. Our ongoing success allows us to employ more great people in the communities where we operate. It also means we can help more clients build their businesses and achieve their goals.

Russ Dalgetty, Assistant Vice President,
Commercial Banking, CWB



Our impact as a business

Our general business activities also have a meaningful economic impact. In 2011 alone, we invested \$18 million in office leasing and maintenance, and another \$4 million in travel expenses and office supplies. We opened a new branch in Richmond, BC, expanded our Medicine Hat, Alberta branch to offer full-service banking, and upgraded and/or expanded our premises and technology infrastructure in other areas as well. These projects, among many others, created economic activity that crossed several sectors and utilized dozens of local businesses.

Supporting small- and medium-sized businesses

We've always worked hard to meet the needs of small- and medium-sized businesses. After all, the people who started CWB were entrepreneurs who understood both the challenges and opportunities of running a business. We still understand how important it is for small- and medium-sized companies to get the financing and services they need to grow.

CWB works with clients to provide business loan options typically ranging in size from \$100,000 up to \$50 million. Although each individual client has different needs and circumstances, our experience and expertise in the areas of general commercial lending, commercial real estate and construction financing, energy lending, and equipment financing and leasing helps them meet their current needs as well as plan for the future.

Add it all together – net new loans, compensation and benefits, general corporate spending and community investment – and CWB Group injected more than \$2 billion into the economy last year alone.



"CWB understands the needs of our members and our organization. Our relationship with CWB allows us to effectively offer a variety of programs and services to both our members and the community at large."

Peter Kletas, President, Hellenic Community of Vancouver

Peter worked with his account manager, Demetra Papaspyros, Assistant Vice President at the CWB Kitsilano branch in Vancouver, to secure the money the Hellenic Community of Vancouver needed to build a seniors' home.

Total federal and provincial income and capital taxes paid (2011)

\$64 million
Federal: \$42 million
Provincial: \$22 million

National Leasing works with an equally diverse range of clients, and can provide business leasing options for amounts ranging from \$5,000 up to \$2 million. Through its 30-plus years in business, National Leasing has built the specialized expertise and technologies required to effectively and efficiently fulfil relatively small financing requirements. This also includes specialized leasing and payment options that traditional banks and other credit providers may not consider. Although microcredit and microfinancing will never be our core business focus, we understand the needs of small businesses and endeavour to do whatever we can to help them realize their vision. Our debt-financing charts on pages 24 and 25 illustrate the diversity and range of businesses we lend to across Canada.

Supporting stronger communities

CWB Group doesn't limit our expertise to helping clients grow their businesses. We also work with a number of non-profit community groups and organizations to offer banking products, loans and other services that help them build stronger, more sustainable communities.

Recently, CWB provided financing to the Hellenic Community of Vancouver to help them convert an existing building into a seniors' home for members of Vancouver's Greek community. The building will offer seniors a range of services and support in a setting that respects their culture, language and heritage.

We also recently worked with the southern Alberta-based Cochrane Society for Housing Options, a non-profit organization that helps bring affordable housing to low-to-moderate income individuals. The organization owns and operates a 21-unit building that offers rental suites below market value. In 2011, CWB provided a mortgage on the property that will allow the society to continue serving the needs of current and future tenants who require safe, affordable housing.

CWB Group looks for ways to go above and beyond to meet the banking needs of non-profit groups and charitable organizations, including offering a range of customizable banking services. These services allow organizations to streamline administrative and banking costs so they can concentrate resources on meeting their own important mandates. It also ensures they receive reliable, professional banking services to help them make the biggest impact possible as it relates to their respective causes. Over the past year, CWB Group has worked with non-profit groups such as Habitat for Humanity, Alberta's Centre for Family Literacy, Saskatoon's 18 Wheels of Christmas, the Canadian Society for Housing Trusts and the BC Mental Health Foundation to help them get more from their banking experience.

Provincial taxes paid by CWB Group (2011)

	Total (\$ thousands)
British Columbia	\$ 4,541
Alberta	9,873
Saskatchewan	1,413
Manitoba	3,741
Ontario	1,849
Quebec	nm ⁽¹⁾
New Brunswick	213
Nova Scotia	177
Newfoundland	nm ⁽¹⁾
Territories	nm ⁽¹⁾

⁽¹⁾ not meaningful or zero



Maria Holowinsky, Executive Vice President,
Adroit Investment Management

Helping communities manage their resources

For many people, the term wealth management is associated with high networth individuals. In reality, most non-profit groups and charitable organizations also need assistance to manage their funds wisely. Strategic and conservative wealth management practices help both individuals and organizations earn a reasonable return on their investment while preserving the capital necessary for ongoing funding requirements. We're happy to help them realize these goals.

Adroit Investment Management (Adroit) works closely with several non-profit organizations to provide investment advice and guidance on how to invest and grow their capital. Much like CWB Group, non-profit groups are accountable to numerous stakeholders and must demonstrate prudent management. Adroit's proven and consistent investment growth strategies, combined with a commitment to capital preservation, gives peace of mind to non-profit groups such as the YMCA of Edmonton and Edmonton Meals on Wheels.

Total Canadian Business Financing

Canadian Western Bank is committed to meeting the needs of Canadian businesses. As of October 31, 2011, authorized business loans totaled approximately \$15 billion.

	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers
British Columbia	5,004,843	3,463,648	7,280
Alberta	6,984,971	4,941,984	11,078
Saskatchewan	800,114	589,124	4,856
Manitoba	324,135	261,653	2,629
Ontario	1,555,092	1,049,852	15,483
Quebec	196,502	165,056	7,835
Other provinces & territories*	97,610	85,189	4,237
Canada	14,963,267	10,556,506	53,398

Breakdown of Total Canadian Business Financing

	\$0-\$24,999			\$25,000-\$99,999			\$100,000-\$249,999		
	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers
British Columbia	153,558	30,742	4,150	120,362	62,376	1,224	182,112	96,841	594
Alberta	281,289	52,708	6,689	219,085	94,789	1,941	241,044	131,065	782
Saskatchewan	43,484	34,423	3,365	66,833	52,052	1,102	66,277	33,733	216
Manitoba	18,983	14,526	1,929	29,309	23,535	493	23,638	18,473	112
Ontario	133,218	92,544	12,837	109,972	96,772	2,128	77,164	61,951	375
Quebec	45,153	45,145	6,888	41,242	36,105	779	23,396	22,471	144
Other provinces & territories*	26,343	25,936	3,717	20,018	17,502	416	14,119	11,309	81
Canada	702,028	296,024	39,575	606,821	383,131	8,083	627,750	375,843	2,304

	\$250,000-\$499,999			\$500,000-\$999,999			\$1,000,000-\$4,999,999		
	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers
British Columbia	208,613	127,740	357	351,254	216,224	307	1,612,008	1,084,685	477
Alberta	307,948	160,585	444	427,028	276,026	389	1,902,563	1,324,389	595
Saskatchewan	25,240	17,408	49	61,507	38,348	53	160,021	110,299	47
Manitoba	20,403	12,497	35	18,645	14,673	21	62,373	46,892	26
Ontario	28,685	18,208	51	33,282	13,529	19	174,811	46,808	20
Quebec	4,287	3,959	10	2,446	2,270	3	12,978	11,973	7
Other provinces & territories*	6,348	4,088	12	5,982	4,823	6	9,800	7,736	4
Canada	601,524	344,485	958	900,144	565,893	798	3,934,554	2,632,782	1,176

	\$5,000,000+		
	Authorized (\$ thousands)	Outstanding (\$ thousands)	Customers
British Columbia	2,376,936	1,845,040	171
Alberta	3,606,014	2,902,422	238
Saskatchewan	376,752	302,861	24
Manitoba	150,784	131,057	13
Ontario	997,960	720,040	53
Quebec	67,000	43,133	4
Other provinces & territories*	15,000	13,795	1
Canada	7,590,446	5,958,348	504

* Data for Yukon, Northwest Territories, Nunavut, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland have been consolidated.

Governance

CWB Group has always believed that common sense, integrity, honesty and trust are essential qualities for success. These same qualities help shape our shared vision of what it means to be a good corporate citizen, drive our corporate social responsibility activities and represent the foundation of CWB Group's corporate governance practices.

Our experienced Board of Directors (the Board) is responsible for developing and monitoring CWB Group's governance structure with an objective to effectively oversee management for the benefit of clients, employees, shareholders and other stakeholders. The Board regularly reviews our governance practices to ensure we adhere to all legal and regulatory requirements, including those of the Office of the Superintendent of Financial Institutions, the Canadian Securities Administrators and the Toronto Stock Exchange. The Board also evaluates and, where deemed appropriate, implements other corporate governance best practices.

The Board is made up of 14 business and community leaders who offer a diverse range of individual and collective experience. In addition to providing regular guidance to management and approving major strategy and policy recommendations, the Board also devoted time in 2011 to assist with the development of an enhanced risk management framework.

Another key role of the Board is to oversee succession planning for senior management to ensure CWB Group maintains a strong executive team with appropriate breadth and depth of experience. The Board was pleased to welcome three new members in 2011, whose expertise and experience will further support effective governance and contribute to CWB Group's ongoing business success.



Corporate governance highlights

- The Board is led by a non-executive chairman to ensure independent leadership.
- 13 out of the 14 current directors are independent.
- Independent directors set aside time at each Board and Board committee meeting for discussion without the presence of management.
- The Board and Board committees each have the power to retain independent advisors, when they deem it necessary to assist them in fulfilling their mandates.
- Shareholders vote for individual directors, not a slate. Directors who receive more "withhold" than "for" votes are required to tender their resignation for the Board's consideration.
- Director and executive officer compensation is reviewed annually. At the March 2011 annual shareholder meeting, CWB Group's approach to executive compensation received the support of 99% of votes cast by the shareholders.
- The Board prioritizes ongoing director education by actively participating in presentations by senior management and outside experts.
- The Board evaluates, in alternating years, the effectiveness of each director and the Board as a whole through a written assessment and feedback process. In 2011, the feedback process was reviewed and enhanced.
- CWB has established a code of conduct for directors, as well as a code of conduct for employees. All directors, officers and employees must annually certify that they have read, understand and agree to abide by the applicable code.

Allan Jackson, Board Chair, CWB

Our vision for the future

Although we're proud of our accomplishments, there is always room to improve. The phrase "do what we do, only better," is a key theme of CWB Group's strategic plan and also fits well with our approach to setting future CSR goals.

As we move ahead, we'll continue to look for ways to further enhance our performance, improve banking services for both new and lower-income Canadians, and develop additional ways to support Canadian businesses and contribute to economic growth. We also have goals to help create stronger, more vibrant communities and further reduce our carbon footprint.

Our vision of what CWB Group can achieve is based on enhancing what we've accomplished since our inception. With the help of our clients, employees, community partners and other stakeholders, it's a vision we know we'll realize.

Do what we do,
only **better.**

Make the whole
worth **more**
than the sum of the parts.

Eco Audit

This Corporate Social Responsibility Report uses FSC certified paper that comes from well-managed forests. The paper used for the report contains 100% Post Consumer Recycled fibre instead of virgin paper and is produced using wind power. As a result, the following savings to our natural resources were realized:⁽¹⁾

Trees Saved



Energy Not Consumed

(Million BTU'S)



Wastewater

(Water Saved gallons)



Wood Saved (lbs.)



Net Greenhouse Gases Prevented

(lbs. CO2 Equiv.)



Solid Waste

(Landfill Reduced lbs.)



⁽¹⁾Eco audit information is based on use of the following products:
2,000 sheets of 26 x 40 Lenza 92lb Cover 368M
12,200 sheets of 23 x 35 Lenza 60lb Text 102M
Data research provided by environmentaldefence.org



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