an annual report from the people of canadian western bank 2000

CANADIAN WESTERN BANK

Think Western

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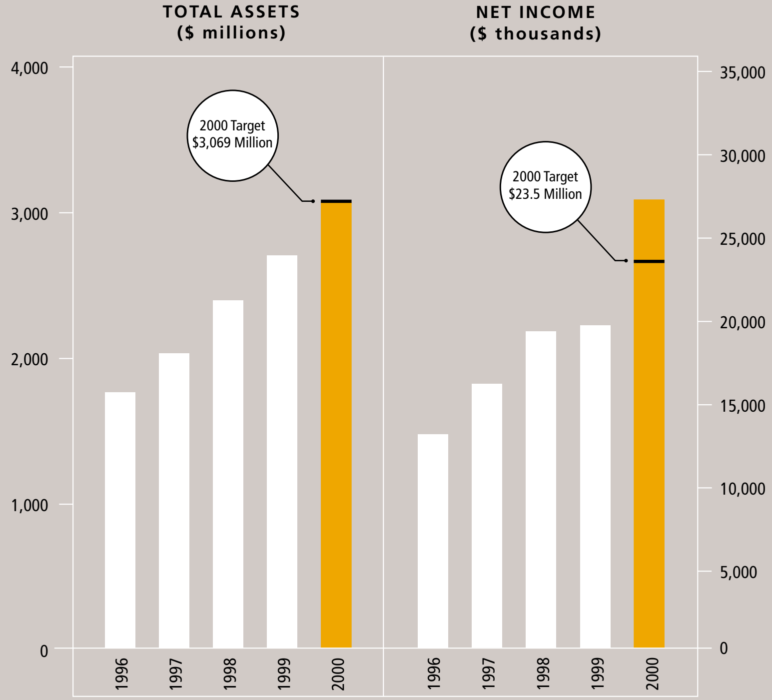
FIVE YEAR FINANCIAL SUMMARY

($ thousands, except per share amounts)

	2000	1999	1998	1997	1996
Results of Operations					
Total interest income	$ 210,282	$ 177,013	$ 157,966	$ 131,917	$ 133,399
Net interest income	73,367	61,729	55,751	45,414	40,731
Provision for credit losses	5,100	3,750	4,150	4,000	4,073
Other income	15,255	13,017	12,165	11,520	10,466
Net income from continuing operations	29,994	22,754	20,616	15,837	12,822
Net income	26,949	19,853	19,012	15,837	12,822
Return on common shareholders' equity	14.98 %	12.82 %	13.97 %	13.12 %	13.27 %
Return on average total assets	0.96 %	0.81 %	0.87 %	0.85 %	0.81 %
Per Common Share					
Average common shares outstanding (thousands)	11,134	10,153	9,421	9,322	8,116
Earnings per share, continuing operations					
basic	$ 2.69	$ 2.24	$ 2.02	$ 1.70	$ 1.58
fully diluted	2.49	2.00	1.77	1.55	1.45
Earnings per share					
basic	2.42	1.96	2.02	1.70	1.58
fully diluted	2.26	1.79	1.77	1.55	1.45
Dividends [1]	0.34	0.48	0.30	0.25	0.15
Book value	17.40	15.68	15.39	13.70	12.61
Market Price					
High	$ 24.00	$ 24.25	$ 27.00	$ 22.10	$ 13.00
Low	16.25	17.30	14.75	12.20	9.25
Closing market value	23.00	17.60	17.15	20.25	12.80
Balance Sheet and Off-Balance Sheet Summary					
Assets	$ 3,055,603	$ 2,692,382	$ 2,386,478	$ 2,022,951	$ 1,754,072
Cash resources and securities	446,351	375,182	320,405	271,883	247,614
Loans	2,560,092	2,253,598	1,989,656	1,710,007	1,478,392
Deposits	2,727,809	2,371,075	2,059,545	1,817,512	1,585,855
Debentures	67,126	78,691	87,091	37,116	26,000
Shareholders' equity	195,195	159,550	145,268	128,533	102,554
Assets under administration	741,181	559,978	453,058	395,486	371,798
Capital Adequacy					
Tier 1 ratio	8.1 %	7.4 %	7.8 %	8.4 %	8.1 %
Total ratio	11.6 %	11.8 %	11.9 %	11.0 %	10.2 %
Other Information					
Net interest margin [2]	2.64 %	2.57 %	2.58 %	2.48 %	2.59 %
Net impaired loans as a percentage of total loans	0.2 %	0.5 %	0.7 %	0.5 %	1.0 %
Efficiency ratio [3]	54.3 %	59.8 %	60.7 %	64.4 %	64.8 %
Number of full time equivalent staff [4]	509	555	522	388	359
Number of branches	25	24	23	22	20

1 The dividend policy was amended to be semi-annual instead of annual during the third quarter of fiscal 1999. The dividend rate for fiscal 1999 appears unusally high as it includes the last annual dividend of $0.32 per share paid in the first quarter and the first semi-annual dividend of $0.16 paid in the third quarter.
2 Net interest income divided by average assets.
3 Non-interest expenses expressed as a percentage of net interest income and other income.
4 Reflects sale of subsidiary (74 employees) in first quarter 2000.



TOTAL ASSETS

2000 Total assets increased to $3,056 million or 13.5% year over year virtually meeting our target.

2001 Our target is for total asset growth of 14%.

NET INCOME

2000 Net income at $26.9 million exceeded our target of $23.5 million and was up 36% over fiscal 1999.

2001 Our target for fiscal 2001 is to grow net income by 10%, notwithstanding that the remaining tax deduction pools are expected to be fully utilized within the year and the Bank will become fully taxable.

FINANCIAL HIGHLIGHTS

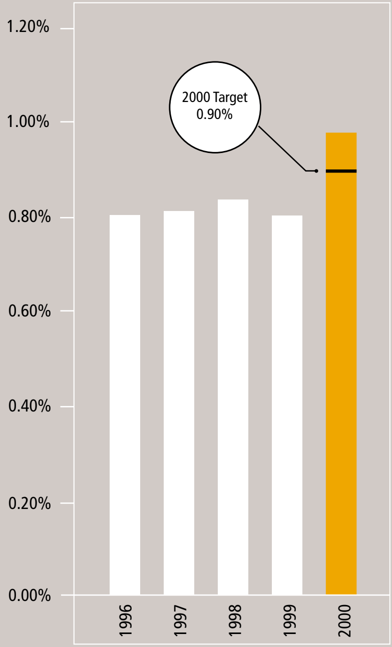
- surpassed the $3 billion milestone in total assets, up 13.5% over last year
- achieved a 36% increase in net income over last year to $26.9 million and on a continuing operations basis it increased $7.2 million, or 32%
- significantly improved our efficiency ratio (expenses to revenues) which at 54.3% is one of the best in the Canadian banking industry
- increased return on equity to 14.98% and return on assets to 0.96%
- increased assets under administration 32% to $741 million
- on November 30, 1999 the remaining $11.7 million of 6.75% convertible debentures converted to 925,200 shares, which strengthened our Tier 1 capital ratio and reduced the dilution of earnings per share going forward
- will benefit from the elimination of capital taxes on financial institutions in Alberta during 2001
- will also benefit from announced reductions in corporate income tax rates federally and in Alberta

OPERATIONAL HIGHLIGHTS

- the Bank's stock was added to the TSE 300 index, a composite index of Canadian equities
- as a result of the restructuring of Canada's capital markets, the Bank's securities are now listed only on the Toronto Stock Exchange ("TSE") as it became the sole market for senior equities
- opened the new Foothills branch in southeast Calgary
- replaced our banking system hardware and operating environment with a new highly flexible platform which will accommodate our ongoing initiatives toward enhanced customer service and e-business developments
- expanded the corporate trust product line at Canadian Western Trust to include share purchase plan and stock option plan administration
- announced an alliance between Canadian Western Trust and Pacific Corporate Trust, a recognized leader in security transfer services to companies trading on the Canadian Venture Exchange
- extended sales of mutual funds to British Columbia branches
- sold our brokerage subsidiary, Canadian Western Capital Limited, in February 2000 to Goepel McDermid Inc. of Vancouver

LARRY POLLOCK
President and Chief Executive Officer
Eleven years with Canadian Western Bank

RETURN ON ASSETS



Growth

If your primary financial goal is ***growth,***
you've got to ***set the bar high...***

It's been a few years since our last major acquisition, so in 2000 we put a high priority on sustaining our rate of internal growth. Our goal was asset growth of 14 percent and we came close, at 13.5 percent. This growth came with the bonus of pushing us past the $3 billion milestone in total assets.

Increasingly, we've been providing banking services for larger companies with higher borrowing needs, and this should continue. This expands our capacity for growth – in human resources as well as capital - so, we'll aim for 14 percent internal growth again this year.

In 2000, one of our main objectives was to ensure an adequate return on assets. Our target was a 0.90 percent ROA and we achieved 0.96 percent. Again, ***we'll keep the standard high,*** with 0.90 percent ROA as our target for 2001.

Last year, we also set out to ***strengthen our position*** *in the marketplace by strengthening our identity.* "Think Western" is our new brand. It captures the commitment our employees have to delivering a common-sense, friendly banking environment. Our brand speaks to the style of both our people and our customers.

It is in this style that we will continue to grow, delivering positive results to every stakeholder.

TRACEY BALL, C.A.
Senior Vice President and Chief Financial Officer
Fourteen years with Canadian Western Bank

Progress

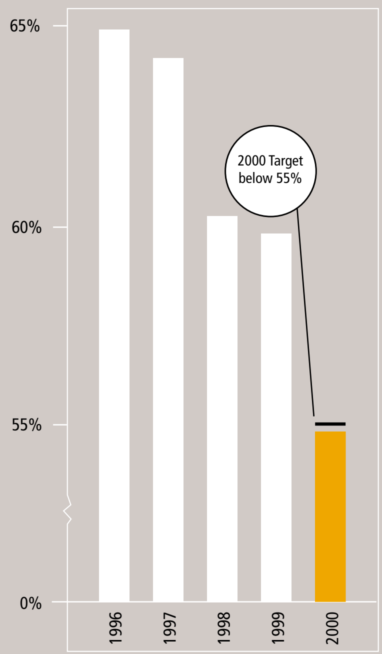
As a bank *we face many of the* *same financial challenges* *as our* *customers…*

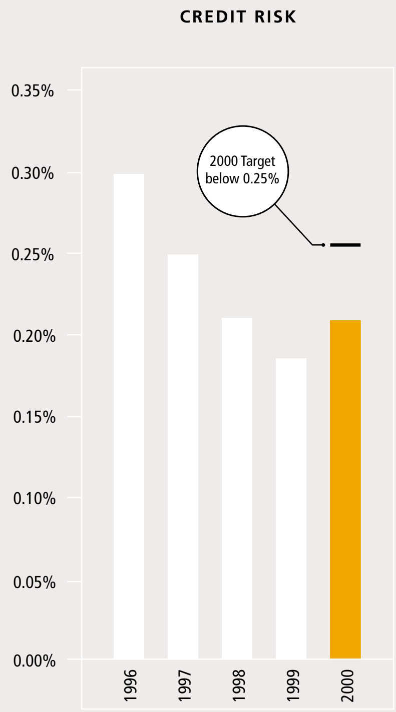
Chiefly, as Larry says, we need to grow. And growth, if managed correctly, produces *economies of scale…*

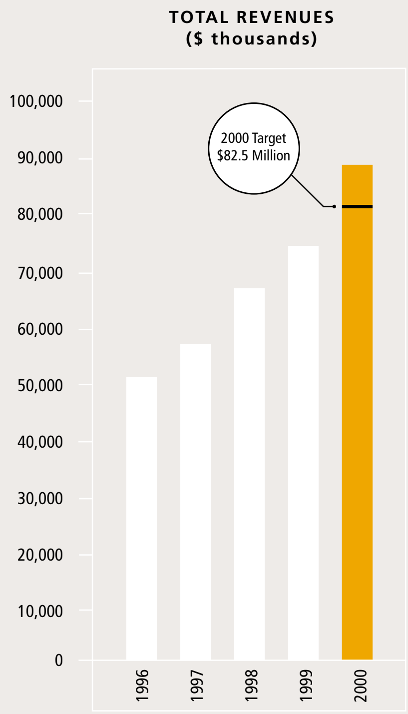
In the banking business one measure of success is often judged through your efficiency ratio (expenses expressed as a percentage of revenues). At the beginning of the year, we said we'd come in under 55 percent, well below the current Canadian banking average of 63.5 percent. We made it, with a final ratio of 54.3 percent, for the year. We congratulate all our staff on the dedication and *teamwork* *that made this possible.*

Next year we plan to keep this ratio below 55 percent, even though we have planned branch openings and expansions that will add to our expenses.

EFFICIENCY RATIO
(expenses to revenues)







Total revenues… that's net interest income and other income combined… reached $88.6 million this year. We were very pleased… the growth represented an increase of 18 percent over last year and was much higher than our target for 2000. For 2001, total revenue is targeted for a minimum of 15 percent growth.

Another challenge we face as a business is dealing with risk. In banking, the biggest single threat is typically credit losses. For 2000, we experienced losses (expressed as a percentage of average loans) of 0.21 percent, bettering our target of being under 0.25 percent.

The *credit goes to the people managing our loan portfolios* for not only making good decisions initially, but also for managing risk over the life of a loan. We're targeting to be under 0.25 percent again this year. It will keep us among the leaders in our industry.

the Canadian Western Bank

edge

Thinking Western gives CWB the edge.

And just what is western thinking?

It's hard to pin down because it looks different on every person at CWB. But you know it when you see it… There's no mistaking it. It's the attitude that sets us apart… the attitude that says pioneers can not only exist, but flourish, in the 21st century; that employees are people who have more to contribute than just hours; and that organizations are organic and so need care to grow.

You'll see, because we let them all speak for themselves…

Sometimes *it must seem like the bank is my whole life. It's not... I just think it's important*

to like where you work...

THERESA HOWARD
Retail Banking Manager,
Langley Branch,
Three and a half years with Canadian Western Bank

I used to work at CWB in Calgary. When we moved to the west coast, I transferred with the bank, but the commute from Langley to Vancouver was really tedious, so I decided to work elsewhere to be closer to home… Until a couple of years ago… Then one day I noticed the developer's sign for the bank's new Langley branch. I called that afternoon and I was on staff the day we opened.

They didn't have any positions for someone with my experience when I applied, so I took the one they offered, as a CSR*. I remembered from my days in Calgary how they treat the people in this bank with a definite western flair. They invest in you, when you invest in them.

Next week I'm off for training with a group of my peers from across the bank. I'm excited about it and I'd like to see more formal training for myself, as well as my staff. We like to promote from within and I can see solid opportunities for a number of them… I want them to have the same chances I've had.

When the whole organization is small and growing, *there's room to get to know the people*… not just the jobs they do. Some of my colleagues have become my friends and I often see my neighbours in here doing their banking. It's a great environment… and very productive.

**Customer Service Representative*

Keeping our ***people happy*** *is essential in turning out a* ***good product.***

And it's not entirely what you pay them… they want to feel like part of the family… especially for us, because we have such a specialized work force.

Obviously, communication is the key. I deal directly with staff whenever I can.

The door is always open and no one here is shy about coming through it…

It's just horse sense… you need good dialogue to get things done.

That also holds true for customers, business associates and bankers…

Craig, from CWB in Langley came through my door three years ago, and we haven't looked back. He was direct, compelling, and persuasive. I have an excellent rapport with him and the others at the branch… *They delivered everything they promised.* I'm moving my personal accounts over now…

ROGER MILLER
President/General Manager, Custom Plastics
Langley, British Columbia
Three years as customer at Canadian Western Bank

When I came from Northwest Trust in '95,

I went directly into real estate and I've been here ever since

(At the main branch, corporate lending is split three ways: industrial, commercial and real estate).

It's great.

I like being able to specialize.

You can't normally do that as an account manager in a big bank.

Almost 75 percent of the lending I do is for construction and development of projects like condos and multi-family dwellings and servicing raw land.

I look at value and how much income the property generates. Then, I lend against it. There's a certain simplicity to it… because the values don't change too quickly.

I also study the economy and keep in touch with the building and real estate trades, so I know what's going on... The oil giants are making big investments right now in northern Alberta, creating good conditions for growth. Today we're looking at two to three years of solid growth…

Our team helps western companies take advantage of the opportunities we anticipate in the marketplace…

Radhe Gupta, an Edmonton developer, is an excellent example of someone who knows how to make the most of an opportunity. Our branch has been working with him since '94. We have many letters on file from owners of his units praising him for the quality of his work. He was exceptional from the beginning…

We appreciate his way of doing business so much that we brought him in when we needed someone to finish and sell a property. Excellent results…

GARNET WAY
Assistant Vice President,
Real Estate Lending
Edmonton Main Branch
Five years with Canadian Western Bank

I know *how important it is to tailor the product to each customer.*

I recognize when I get that kind of service from a bank and I very much appreciate it.

We are specialty builders. Most of our projects are designed for two age groups: young professionals… singles and young couples who don't need that much space but want a high end appearance… and the 45-plus group, who wants to live in an adult community. The best part of my relationship with CWB is that I can approach senior people without hesitation… from the account managers to the vice presidents… I work mostly with Garnet. He's very knowledgeable and gives me useful, impartial advice.

In the realm of banking, I find the situation quite unique, really…

RADHE GUPTA
Owner, Rohit Holdings
Edmonton, Alberta
Over five years as customer at Canadian Western Bank

CHRISTINA JONES
Retail Banking Manager,
Calgary Main Branch
Winner of Chairman's Award, 1998
Nine years with Canadian Western Bank

People usually come into the bank for two reasons: their mother or their brother-in-law suggested it, or, they saw our deposit rates in the paper. (We're usually higher by as much as one percent.) Either way, we're happy to see them.

As a smaller bank, we're always looking to build our client base.

And, it follows we don't have branches on every street corner, so overhead is low and we can afford to offer the higher deposit rates. We also have a freedom that you don't get in other banks to do things our own way.

For example, I think some banking still has to be done face-to-face. And when some clients can't come in, I make house calls… surprisingly often, really.

I have one customer who had hip surgery… She can't exactly get out to do her banking… so I visit her on occasion and we have a few minutes to catch up.

There's satisfaction in being able to provide what the client needs and wants.

I'm a small business man. I have four people on staff and

that's the way I like it – small.

Right now, I have two companies: oil and gas production… and publishing. I've been in oil and gas for years (we've been very active recently… doubled production), but the publishing is relatively new… it started with my paleontology hobby… dinosaur books for kids... five so far, a new contract for distribution and we're waiting on a deal with a Japanese publisher.

When things get crazy, Christina or one of the others calls me… or now, they usually just send the paperwork right over to jog my memory. It's *unbelievable service.* So, I keep recommending them to every new small business that I come across.

I think if they keep the people they have that they'll be able to

keep their small western bank **attitude intact** *as they grow…*

ERIC FELBER
Owner, Troodon Energy and Troodon Publications
Nine years as customer at Canadian Western Bank

CHRISTINA JONES

There's no doubt
the bank and the trust will
continue to grow

and offer more and more products.

So, naturally our roles will continue to develop which is a good thing since the people here genuinely want to grow themselves.

I started as a CSR* and now I have eleven people on my staff. I wouldn't have stayed nine years without the chance to go forward.

Today, I'm excited about the trust division. I see a lot of opportunity… both in terms of what I can offer customers and where I can go in my career.

This is the kind of place you never hear anyone say "that's not my department." We're all game to take on whatever needs to be done.

And we don't have a problem just because we don't have as many branches.

For one thing, we work well with the people at other branches... We don't compete with each other. So they're as anxious to help my customer as I am.

Then there's the ABM cards. Clients can even use them internationally.

We also upgraded the telephone banking system. Customers really appreciate the quick responses they're getting.

And, this year we started to offer MasterCard® and Visa® receipt deposit service to merchants. They love the service; now they can do all their banking in one place.

Next year it'll only get better with internet banking…

**Customer Service Representative*

SANDY CAMPBELL, C.G.A.
Senior Vice President and Chief Financial Officer, WestJet
Calgary, Alberta
Four years as customer at Canadian Western Bank

Back in the fall of '97 we were over a year old… We had a good balance sheet and were profitable, but the good bottom line numbers had really just started to roll in. We were acquiring our fifth and sixth aircrafts, had no debt and wanted to put leverage into the company.

CWB approached us…

We get that from banks all the time but they're not usually serious…

CWB was.

They took the time to look at us and our past performance. Their financing gave us the kickstart we needed. Then, in '98, they went beyond their typical comfort zone to finance planes eight and nine.

They have again stepped up to the plate and are currently financing a 16 million dollar flight simulator to train our pilots to use the new 737 – 700s we've ordered.

The biggest pay off goes to average Canadians. Our concept of a 'budget airline' has made air travel accessible to anyone and everyone travelling in Canada. We're pioneers in this field. *And, we like the synergy of working with a bank that understands* what that's like…

Out of all the clients
that walk in that door, I bet

I know *90 percent of them by name…*

and their spouses' names, and sometimes even their pets too.

I've been on the front line at the Calgary Northeast Branch for about a year and a half. I'm a customer service representative and a loan administrator. I like it. I was a bookkeeper for years before this so I was on the other side of the counter, a lot. And I never came across a bank like this one.

I get to know people because I want to. And it fits with what I think our bank stands for… *acknowledging people as individuals* and working with them on an individual basis. It's huge. People like to deal with people they know, especially when it comes to money. People are sensitive about money and they need to be comfortable.

This is where I think we break the mold…

In a regular bank its click, click, click, stamp, stamp, stamp… everybody shuffles through. Well, we don't make people stand in a line up like little toy soldiers… We take a western approach.

I do all that I can to make sure people get what they need... Sometimes it's an RSP or a car loan. Sometimes it's advice on how to keep up to date on your chequing account.

Clients think of us as their personal bankers.

That's the edge.

I enjoy the people I work with and the environment… we have a small crew… and we cover off for each other when we need to… So, we can understand other peoples' positions, their frustrations and their accomplishments… I'm learning so much.

There's a lot of talking and laughing in here some days. We have a good time and clients recognize that. A couple of months ago, a client brought the whole front line flowers just to say thanks for what she called *exceptional everyday service*. It was so nice to be appreciated like that.

Its not just numbers. It's a great way to spend your day.

FRANCES BENBOW
Customer service representative
Calgary Northeast Branch
One and a half years with Canadian Western Bank

DARLENE MUNROE
Supervisor and travel consultant
Farebuster Travel
Calgary, Alberta
Two and a half years as customer at Canadian Western Bank

At the risk of sounding like a TV ad, I should tell you *I've been singing Frances' praises,* well, it's really the whole branch, *to everyone I know* who is having a difficult time with their bank… and there sure are a lot of them.

The travel business runs on referrals and you don't get referrals if you don't do a good job… I'm across the street from CWB in Northeast Calgary at Farebuster Travel. I met Frances when I started doing the company banking there after the branch opened.

I found the service so extraordinary, I moved all my personal business over too… I had always had a difficult time juggling our personal accounts because my husband doesn't keep very good records… or any records at all, really. Frances suggested a change that lets me keep track of what he's doing. I'm always up to date now. It's *made my life so much simpler.*

The biggest risk in commercial banking is losing a potential client

by not investigating thoroughly enough to find a way to make the relationship work…

THOR THORGRIMSSON
Senior Manager, Commercial Banking
Park Place Branch, Vancouver
Five years with Canadian Western Bank

Basically, our business is to structure credit facilities… Or you might call it lending money. There are two ways we do it: through operating loans (usually to finance accounts receivable) or term loans (for equipment, real estate, et cetera).

Either we match the term of a loan to the life of the asset being financed, or, we make it shorter… The desire to pay it off is a function of the debt habits of the client and the company's cash flow... If a business is growing, it needs money to fund growth. If it pays a loan off too fast, it could starve. The right term on a loan allows a company to free up cash for business and reap the benefits of a new piece of equipment while paying for it.

On the operating side, we might find a way to finance more of a company's inventory than another bank. We look for the places where there's a perception of greater risk. Then we find ways to mitigate the risk…

Sometimes the solution is simple. Pacific Blasting is a case in point. Recently they entered a joint venture with a competitor in the downtown excavation business. The deal would work only if we could set up new lines of credit – IMMEDIATELY – to accommodate the needs of both companies during a rapid transition. So, we simply made it a priority and responded quickly.

As I say, loans are *facilities*. I don't think of them as products… *Our product is not something we manufacture… It is the relationship between us and our clients…* it is our willingness to take a closer look and find the logical solution. Sounds universal, but it's not. Maybe one day… But for right now *it remains uniquely western thinking.*

J.P. CARDINAL
Certified Yacht Broker, Westerly Yacht Sales
Coal Harbour, Vancouver, British Columbia
Five years as customer at Canadian Western Bank

We moved from Granville Island to Coal Harbour so we could stand apart from the competition. We are the Western Canadian dealer for a French yacht manufacturer, Beneteau, and many of our potential customers live in the high rises around Coal Harbour. Now, they can see our products from their homes.

They can also see them on the internet. We were one of the first to go on-line and now we do $500,000 of business a year selling to internet customers. We also hold the largest Beneteau owners rendezvous in the world.

Our bankers are innovative too. I had *never heard* of a buy back arrangement *until they suggested it... turned out to be*

the perfect *way to minimize risk*

for both us and the bank.

It lets us operate with a high level of confidence.

The investment world *is changing, almost daily. For one thing, conventional GICs just don't cut it anymore.*

People want to diversify… hold a wide range of investments…

As a trust company, we'd be foolish if we didn't change to facilitate diversified portfolios and other needs of the increasingly sophisticated modern investor…

Our clients are financial planners and all the new breeds of investment professionals. Believe me, they are an extremely savvy and demanding group of people.

When they refer clients to us, they expect us to handle them the way they would… *so the clients' needs take precedence over the convenience or limitations of the organization.* Frankly, most of the big trust companies don't even come close anymore. There is such a void out there… and CWT is filling that gap in western Canada where planners often have to run on an eastern clock.

As you know, we have a clear western focus. Western planners and agents come to us because we know this marketplace, their marketplace, like the back of our hand and we have a better grasp than anyone else…

And although our competitors offer the same kinds of products we do, they're hard pressed to beat our service. Last year, to augment our service focus we completed a number of on-line automation projects like:

One: we moved from monthly to daily on-line market pricing on our increasingly popular CWeb which also features an RRSP loan application process;

and Two: we enhanced our delivery system by upgrading the personal trust system and by our participation in the industry mutual fund clearing system, FundSERV© (CSS).

We are taking market share from others and the biggest advantage we have is our staff's commitment to deliver excellence in service.

CATHY PHILLIPS
Senior Manager, Trust Operations
Vancouver, British Columbia
Winner of Award of Excellence, 2000
Eight years with Canadian Western Trust

My clients are sophisticated, intelligent people. They're serious about money and fee conscious. They expect service. I deal with many trust services suppliers. It doesn't matter how fast I work,

I can't deliver *if I can't get the people at the trust on the phone.*

I always seem to be asking my suppliers 'Who are you working for?' I can tell by the speed of the service that it's not me. If I don't provide prompt service, my clients will go to someone else. That's why I prefer to work with CWT.

It's so refreshing to work with Cathy and her people. Now we're talkin' speed. And direct contact… I have a list with every name and number I need, and I always get an answer. I get solutions and immediate action…

For example, we had a question about fees. They listened. Now there's a new lower fee for limited purpose plans… and that's good news for us, because, *we know who we work for.*

TRISH CULLEN
Director, All Canadian Investment Corp.
Vancouver, British Columbia
Three years as client of Canadian Western Trust

MARLENE SARAFINCHAN
Greeter and The Voice of Edmonton Main Branch
Winner of President's Award, 1998
Six years with Canadian Western Bank

I come from a real big family; I'm one of 16 kids. *I learned early*

that if you give,

you shall receive.

And I live by it…

at home, in the community, at work… it holds true where ever you are.

I was talking about my daughter Michelle with one of our corporate clients, Eugene Aube of Blackstar Corporation. She was checking out classes at the colleges and the technical schools, but Mr. Aube said to check into the Aboriginal Youth Funding Association. They have a program for Metis students… she loves it.

You see, *somehow everything is connected…* and whatever you share with in the world comes back to you ten-fold. Helping out makes you feel good too.

In the early 90's I took three years to help my husband start his landscaping company. (It's really rolling now.) He even does the landscaping and maintenance at the branch here. He also does some of his banking here. Everything is connected.

At the branch I like to get involved in the daffodil drive for the Cancer Society, the MS fundraising stuff, the United Way raffle (that one's really fun) and the Christmas Bureau… Christmas is for kids and I think every one of them should be able to enjoy it.

Doing things like helping Betty Gaumont get the Christmas Bureau hampers ready, collecting United Way donations and running our community message board also help me *stay connected to the people I work with…* in the branch and in the community… and that's a great feeling… That's how I like to run my life.

This is our ninth consecutive year of record profits. Net earnings for the year are up 36% at almost $27 million or $2.26 per share fully diluted ($2.42 basic), compared to $20 million or $1.79 per share fully diluted ($1.96 basic) in 1999. These results serve to reinforce the positive impact of concentrating our resources this year on what we do best – banking and trust services.

Breaking through the $3 billion dollar mark in total assets was a highlight of the strong growth behind this record profit performance with loan growth of 14% as the primary element of this increase. We remain focused on providing individuals and small to medium-sized businesses in western Canada with the banking and trust services they need to succeed. We are pleased our increasing size and capital base have allowed us to progress along with our existing clients and also to look at additional opportunities, including lending to a broad range of publicly traded entities.

Included in our financial reporting are a number of other sources of particular pride. We have had for many years, and continue to maintain, *one of the lowest loan loss ratios* in the industry; our five year loan loss ratio is 0.23% of average loans. Secondly, we are a low cost producer and with our growth we have been able to achieve improving economies of scale. Our efficiency ratio (expenses to revenues) of 54.3% for fiscal 2000 is the best in the Canadian banking industry. We pay close attention to these areas – it is essential they remain well-managed so that our strong asset growth translates into sustained and growing earnings.

Our product and service offerings were expanded this year, and further enhancements are under ongoing review. New additions to the corporate trust capacity were a particular highlight of the year. Our goal is to continue to provide our brand of specialty service to both our existing and our new niche markets primarily within our current geographic focus. This year we added a branch in Calgary, and we have two more in the Vancouver Lower Mainland on our project list for the 2001 fiscal year.

We are sometimes asked how we differentiate ourselves from our competitors. We hope the comments that some of our staff and clients have provided in the front section of this report give you some insight. Our culture is one of personal service and knowing our customers. It relates quite naturally to the common sense, friendly and neighbourly manner long associated with western Canadians. *In fact we have captured how our staff respond to their customers with a new catch phrase – "Think Western".*

Thinking Western is prompt and thoughtful response to customer needs. It is the acceptance of a creative approach when required, rather than the application of "by the book" responses. It includes respect, smiles, being helpful, participating actively in the community, and remembering that the customer comes first. Everyone within the Bank is encouraged to embody the "Think Western" spirit, whether they are interacting with customers, other staff or shareholders. This culture has been fundamental in creating a successful bank, and we recognize that. Our strong, "leading by example" work ethic preserves this culture by instinctively passing it along to our new employees.

One person who has been setting this example from early on is our Executive Vice President, Doug Dalgetty, who is retiring after fifteen years of service. Through his key executive role, Doug has been instrumental in building the banking and trust operations from the beginning. He has also been a strong and contributing member of the Board of Directors for eight years. While we will miss his input in guiding and developing the Bank, he has certainly earned our thanks and the relaxation associated with retirement. A strong and dedicated executive management team remains on board to build upon the success that he helped create.

Looking forward, we expect economic conditions to continue to provide a favorable environment for the further growth of our business. Some or all of the legislative changes to the regulatory environment, which were introduced during 2000, may be re-introduced in the coming year. These changes may alter the regulatory landscape we operate in, but will not affect the distinctive style of service we offer. We are all proud to have been part of developing this successful western-based banking model that can be simply translated into our employees knowing their customers and being responsive to their needs. Our increasing customer base and resulting growth attests to the fact that *when they think of banking, more and more people "Think Western"… Canadian Western Bank.*

"Jack C. Donald"

Jack C. Donald
Chairman

"Larry M. Pollock"

Larry M. Pollock
President and Chief
Executive Officer

financial *report*

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From time to time we make written and verbal forward-looking statements about the objectives and strategies, operations and financial results of Canadian Western Bank. These may be included in the Annual Report, filings with regulators, reports to shareholders and other communications. These forward-looking statements are inherently subject to risks and uncertainties beyond the Bank's control, including, but not limited to, fluctuations in interest rates and currency values, changes in economic and political conditions, legislative or regulatory developments, technological developments and competition. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements and the reader is therefore cautioned not to place undue reliance on these statements.

Management's Analysis *of Operations and Financial Condition*

KEY PERFORMANCE INDICATORS

	2000	1999	2000/1999 Increase (decrease)	% Change
Net income from continuing operations ($ thousands)	$ 29,994	$ 22,754	$ 7,240	32%
Net income ($ thousands)	$ 26,949	$ 19,853	$ 7,096	36%
Earnings per share, continuing operations				
basic	$ 2.69	$ 2.24	$ 0.45	20%
fully diluted	$ 2.49	$ 2.00	$ 0.49	25%
Earnings per share				
basic	$ 2.42	$ 1.96	$ 0.46	23%
fully diluted	$ 2.26	$ 1.79	$ 0.47	26%
Efficiency ratio (expenses to revenues)	54.26 %	59.84 %	(5.58)%	
Return on common shareholders' equity	14.98 %	12.82 %	2.16 %	
Return on average total assets	0.96 %	0.81 %	0.15 %	

Overview *of 2000*

Consolidated net income for the year ended October 31, 2000 was $26.9 million, an increase of 36% from $19.9 million reported in 1999. Fully diluted earnings per share were $2.26 compared to $1.79. Return on shareholders' equity and return on assets for the year ended October 31, 2000 were 14.98% and 0.96% respectively, compared to 12.82% and 0.81% last year. The average number of shares outstanding increased by 981,000 during the year, primarily because the remaining 6.75% debentures were converted to common shares (discussed in the Capital Funds and Adequacy section).

Net income from continuing operations was $30.0 million, an increase of $7.2 million, or 32% from the $22.8 million earned in 1999. Fully diluted earnings per share from continuing operations were $2.49 compared to $2.00 last year, an increase of 25%. Return on shareholders' equity and return on assets for continuing operations were 16.67% and 1.06% respectively. Net income from continuing operations excludes the operations and sale of Canadian Western Capital ("CWC") discussed below.

Total assets increased by over 13% from one year ago to reach $3,056 million. Loans increased by $306 million, providing 84% of the total asset growth. The total capital adequacy ratio at October 31, 2000 was 11.6% (1999 - 11.8%) with a Tier 1 component of 8.1% (1999 - 7.4%).

On December 21, 1999, the Bank announced that it would sell CWC to Goepel McDermid Inc. of Vancouver. The sale closed February 16, 2000 and was reflected in the Bank's financial statements for the quarter ended January 31, 2000. An after tax loss of $3.0 million was charged to discontinued operations. The comparative loss from CWC's operations in 1999 totalled $2.9 million.

Total assets surpassed the $3 billion milestone

and were up more than 13% over 1999.

QUARTERLY INFORMATION

($ thousands, except per share data)

	2000				1999			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total interest income	$57,530	$54,812	$49,610	$48,330	$46,422	$44,620	$42,951	$43,020
Net interest income	20,141	19,069	17,426	16,731	15,856	15,518	15,134	15,221
Other income	3,949	4,086	3,735	3,485	3,398	3,229	3,191	3,199
Net income from continuing operations	8,224	8,150	7,115	6,505	5,638	5,774	5,535	5,807
Net income	8,224	8,150	7,115	3,460	4,706	5,229	4,883	5,035
Earnings per share, continuing operations								
basic	$ 0.74	$ 0.73	$ 0.64	$ 0.59	$ 0.55	$ 0.57	$ 0.53	$ 0.59
fully diluted	0.68	0.67	0.59	0.55	0.49	0.52	0.47	0.52
Earnings per share								
basic	0.74	0.73	0.64	0.31	0.47	0.51	0.47	0.51
fully diluted	0.68	0.67	0.59	0.31	0.43	0.48	0.42	0.46

Net Interest *Income*

TABLE 1 – NET INTEREST INCOME

($ thousands)

	2000				1999			
	Average Balance	Mix	Interest	Interest Rate	Average Balance	Mix	Interest	Interest Rate
Assets								
Securities and deposits with regulated financial institutions	$ 332,191	12 %	$ 18,276	5.50 %	$ 256,706	11 %	$ 12,578	4.90 %
Loans								
Securities purchased under resale agreements	29,647	1	1,581	5.33	28,645	1	1,377	4.81
Residential mortgages	261,214	9	18,002	6.89	272,868	11	18,618	6.82
Other loans	2,104,729	76	172,423	8.19	1,795,917	75	144,440	8.04
Total loans	2,395,590	86	192,006	8.01	2,097,430	87	164,435	7.84
Total interest bearing assets	2,727,781	98	210,282	7.71	2,354,136	98	177,013	7.52
Other assets	48,936	2	–	0.00	44,166	2	–	0.00
Total Assets	$2,776,717	100 %	$ 210,282	7.57 %	$2,398,302	100 %	$ 177,013	7.38 %
Liabilities								
Deposits								
Demand	$ 48,132	2 %	$ –	0.00 %	$ 35,447	1 %	$ –	0.00 %
Notice	246,364	9	8,437	3.42	192,634	8	4,676	2.43
Fixed term	2,175,228	78	124,514	5.72	1,882,795	79	105,720	5.61
Total deposits	2,469,724	89	132,951	5.38	2,110,876	88	110,396	5.23
Other liabilities	57,763	2	–	0.00	50,311	2	–	0.00
Debentures	67,126	2	3,964	5.91	79,332	3	4,888	6.16
Shareholders' equity	182,104	7	–	0.00	157,783	7	–	0.00
Total Liabilities	$2,776,717	100 %	$ 136,915	4.93 %	$2,398,302	100 %	$ 115,284	4.81 %
Total Assets/Net Interest Income	$2,776,717		$ 73,367	2.64 %	$2,398,302		$ 61,729	2.57 %

Net interest income is the difference between interest and dividends earned on assets and interest expensed on deposits and other liabilities, including debentures. Net interest spread, or margin, is net interest income as a percentage of average total assets.

In 2000, net interest income increased by $11.6 million, or 19%, primarily due to:

- an increase of $374 million (16%) in average interest bearing assets; and
- an increase in net interest spread to 2.64% from 2.57%.

The increased spread was primarily the result of:

- an increase in average prime, from 6.49% to 7.05% year over year, which has a positive impact due to the composition of our loan and deposit portfolios;
- an increased yield on securities due to higher short term investment rates and a diversification of our risk mix from treasury bills to other higher yielding government debt; and
- strong growth in both the higher yielding commercial loan portfolios and the lower cost demand and notice deposits.

As discussed in the Interest Rate Risk section, the portfolio has a positive gap with maturing assets exceeding maturing liabilities during the one year time frame. If market rates increase this would have a positive impact on spreads.

In 2001 we expect:

- interest rates will remain relatively stable; and
- the yields on securities and net interest spread will be comparable to 2000.

Other *Income*

TABLE 2 – OTHER INCOME
($ thousands)

	2000	1999	2000/1999 Increase (decrease) $	%
Credit related	$ 9,540	$ 7,805	$ 1,735	22 %
Retail services	2,949	2,476	473	19
Trust services	1,644	1,485	159	11
Other [(1)]	1,122	1,251	(129)	(10)
Total Other Income	$ 15,255	$ 13,017	$ 2,238	17 %

(1) Other includes net gains on securities sales, loan administration fees, gains/losses on equipment disposals, foreign exchange service fees and other miscellaneous non-interest revenues.

Other income, which includes all revenues not classified as net interest income, was $15.3 million, an increase of $2.2 million or 17% over 1999. As shown in table 2, almost all categories of other income showed solid growth in 2000. Notable changes include:

- an increase of $2.2 million in credit and retail fees due to loan and deposit growth and increased activity in the retail branches; and
- increased trust services fees in Canadian Western Trust ("CWT") due to substantial growth (27%) in the number of self-directed RRSP (registered retirement savings plan) and RRIF (registered retirement income fund) accounts.

Other income as a percentage of total revenue (net interest income and other income) was 17% in 2000, the same as in 1999. In 2001 total other income is expected to show broad based growth with a focus on increasing other income as a percentage of total revenue.

In 2000, efficiency improved significantly, with the efficiency ratio reduced substantially from 59.8% to 54.3% as revenue growth (18.6%) exceeded expense growth (which was held at 7.5%). Similarly, non-interest expenses were 1.73% of average assets in 2000, an improvement from 1.86% in 1999.

Non-interest *Expenses*

Non-interest expenses increased 7.5% to $48.1 million in 2000. The increase is primarily due to:

- increased salaries and employee benefits from an increase in full time staff complement to accommodate growth; offset by
- a significant reduction in deposit insurance premiums as a result of the new premium rates which affected only the last half of fiscal 1999; and
- reduced provincial capital taxes (see Taxes section).

The efficiency ratio improved to 54.3% from 59.8% in 1999 as revenue growth of 18.6% exceeded expense growth of 7.5%. Non-interest expenses as a percentage of average assets was 1.73% in 2000, an improvement from 1.86% in 1999.

In 2001 we anticipate:

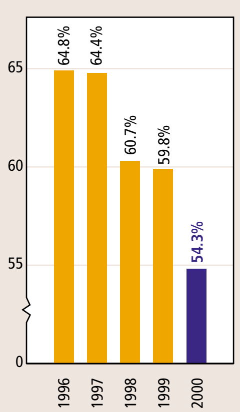
- the full time staff complement will increase by approximately 5% to accommodate growth in volumes and new branch initiatives;
- other increases in non-interest expenses will be primarily attributable to volume increases from growth; and
- reduced capital taxes due to the elimination of Alberta's capital tax during 2001 (see Taxes section).

TABLE 3 – NON-INTEREST EXPENSES AND EFFICIENCY RATIO

($ thousands)

			2000/1999 Increase (decrease)	
	2000	1999	$	%
Salaries and Employee Benefits				
Salaries	$ 23,750	$ 20,549	$ 3,201	15.6 %
Employee benefits	3,457	3,145	312	9.9
Total	27,207	23,694	3,513	14.8
Premises				
Rent	3,854	3,711	143	3.9
Depreciation	822	891	(69)	(7.7)
Other	770	689	81	11.8
Total	5,446	5,291	155	2.9
Equipment and Furniture				
Depreciation	1,934	1,503	431	28.7
Other	1,444	1,337	107	8.0
Total	3,378	2,840	538	18.9
General				
Capital and business taxes	2,405	2,972	(567)	(19.1)
Deposit insurance premiums	801	1,695	(894)	(52.7)
Professional fees and services	2,067	2,214	(147)	(6.6)
Communications	494	522	(28)	(5.4)
Marketing and business development	1,340	1,104	236	21.4
Postage and stationery	1,318	1,235	83	6.7
Banking charges	934	788	146	18.5
Travel	791	767	24	3.1
Other	1,906	1,604	302	18.8
Total	12,056	12,901	(845)	(6.5)
Total Non-interest Expenses	$ 48,087	$ 44,726	$ 3,361	7.5 %
Efficiency Ratio				
Net interest income	$ 73,367	$ 61,729	$ 11,638	18.9 %
Other income	15,255	13,017	2,238	17.2
Total revenues	$ 88,622	$ 74,746	$ 13,876	18.6 %
Efficiency Ratio (expenses as a percentage of total revenues)	54.3 %	59.8 %		

Efficiency Ratio
(expenses to revenues)



Capital expenditures of $1.4 million are budgeted for 2001 and will be funded from general operating revenues. At year end there were no specific commitments relating to these capital expenditures.

The Bank will be required to adopt the Canadian Institute of Chartered Accountants ("CICA") new accounting standard for employee future benefits in fiscal 2001. The standard will essentially harmonize Canadian standards with those already existing in the United States ("U.S."). Generally, any substantive commitment to provide post-employment or post-retirement benefits to employees must be accrued as employees earn the benefit entitlement. The adoption of this new standard is not expected to have a material impact on the Consolidated Financial Statements.

Taxes

The current income tax provision represents amortization of unclaimed deductions and tax loss carryforwards of $4.2 million (1999 - $2.7 million), income tax in a subsidiary of $606,000 (1999 - nil) and large corporations tax of $604,000 (1999 - $552,000).

Deferred income taxes arise from current year timing differences related to claiming deductions for income tax purposes on a basis different from accounting and relate primarily to the provision for credit losses. The Bank has reasonable assurance that its net deferred income tax asset will be realized through future reversals of timing differences.

Income taxes otherwise payable by the Bank for the year ended October 31, 2000 were eliminated by utilizing approximately $30.3 million (1999 - $24.8 million) of unclaimed deductions and tax loss carryforwards. At October 31, 2000, the Bank has approximately $14.8 million of unclaimed deductions which are available to reduce future years' income for tax purposes. In addition, $6.9 million (1999 - $7.0 million) of capital losses are available to apply against future capital gains and have no expiry date. The tax benefit of these unclaimed deductions and losses has not been recognized.

During the year ending October 31, 2001 it is likely that the Bank will have utilized all of the unclaimed deductions and will become fully taxable. To affect this transaction smoothly the estimated effective annual income tax rate will be used to record income tax expense on a quarterly basis. For the year ended October 31, 2000 the Bank's effective tax rate was approximately 15% and we expect this rate will be in the 32 - 37% range in 2001.

In 2001 the Bank will benefit from the

elimination of provincial capital tax in Alberta

TABLE 4 – CAPITAL TAXES

($ thousands)

	Capital Tax Rate	Capital Allocation (1)	2000	1999	2000/1999 Increase (decrease) $	2000/1999 Increase (decrease) %
British Columbia	1.00 %	39 %	$ 888	$ 787	$ 101	12.8 %
Alberta	0.70 %	53 %	1,078	1,558	(480)	(30.8)
Saskatchewan	0.70 %	5 %	82	305	(223)	(73.1)
Manitoba	3.00 %	3 %	198	172	26	15.1
Total Capital Taxes			$ 2,246	$ 2,822	$ (576)	(20.4)%

(1) These capital allocation percentages are for the Bank only although total capital tax includes capital taxes paid in British Columbia by subsidiaries.

Capital taxes for 2000 totalled $2.2 million compared to $2.8 million in 1999. The decrease is attributable to:

- changes to the capital tax base and reduced tax rates in Alberta and Saskatchewan; offset by
- increased capital due to the retention of earnings.

In Alberta the capital tax base was harmonized with the federal capital base and the tax rate dropped from 2.0% to 0.7% on the first $400 million of capital. The lower rate replaced the relief previously provided in the form of a remission calculation for financial institutions headquartered in Alberta. In Saskatchewan the rate was lowered from 3.25% to 0.7% for financial institutions with capital of $400 million or less.

The goods and services tax (GST) carries with it a significant cost to the Bank, as it does to all financial institutions, to the extent that GST paid is not recoverable through increased service charges, increased loan costs or reduced deposit rates. This cost is incurred because the majority of the Bank's activities, except leasing, loan administration and trust services, are exempt under GST legislation and thus GST cannot be charged and collected from customers as occurs in the majority of Canadian businesses. As a result, the ability to recover the GST paid on most purchased goods and services is lost. The estimated cost of unrecoverable GST during 2000 was $940,000 compared to $848,000 in 1999.

In 2001 capital taxes will again decrease as Alberta is eliminating the capital tax on financial institutions during the year.

As of November 1, 2000, the Bank will be required to adopt the CICA's new accounting standard relating to future income taxes. This standard will essentially harmonize Canadian corporate income tax accounting with that in the U.S. Under the new standard, the liability method will be used to measure future income tax assets and liabilities at the enacted tax rates expected to apply when the asset is ultimately realized or the liability settled. The adoption of this new standard is not expected to have a material impact on the Consolidated Financial Statements.

Loans

TABLE 5 – OUTSTANDING LOANS BY PORTFOLIO TYPE AND BY PROVINCIAL LOCATION OF BRANCH

($ millions)

October 31, 2000	British Columbia	Alberta	Saskatchewan	Manitoba	Total (1)	Composition %
Loans to Individuals						
Residential mortgages	$ 170	$ 88	$ 17	$ 2	$ 277	11 %
Other	33	49	11	4	97	4
Total	203	137	28	6	374	15
Loans to Businesses						
Securities purchased under resale agreements	–	85	–	–	85	3
Commercial	251	326	23	30	630	24
Construction and real estate (2)	494	414	45	50	1,003	39
Industrial	182	220	20	13	435	17
Energy	–	60	–	–	60	2
Total	927	1,105	88	93	2,213	85
Total Loans	$ 1,130	$ 1,242	$ 116	$ 99	$ 2,587	100 %
Composition %	44 %	48 %	4 %	4 %	100 %	

October 31, 1999	British Columbia	Alberta	Saskatchewan	Manitoba	Total (1)	Composition %
Loans to Individuals						
Residential mortgages	$ 162	$ 91	$ 16	$ 3	$ 272	12 %
Other	39	49	11	4	103	4
Total	201	140	27	7	375	16
Loans to Businesses						
Securities purchased under resale agreements	–	41	–	–	41	2
Commercial	295	243	13	13	564	25
Construction and real estate (2)	469	279	44	65	857	38
Industrial	162	201	17	15	395	17
Energy	–	48	–	–	48	2
Total	926	812	74	93	1,905	84
Total Loans	$ 1,127	$ 952	$ 101	$ 100	$ 2,280	100 %
Composition %	50 %	42 %	4 %	4 %	100 %	

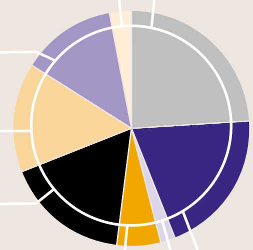
(1) This table does not include an allocation of the allowance for credit losses and deferred revenue and discounts.
(2) Includes term mortgages, project (interim) mortgages and multi-unit residential mortgages.

Loans, as reported on the consolidated balance sheet, totalled $2,560 million at the end of 2000 compared to $2,254 million at the end of 1999, an increase of 14%. Highlights of the year-over-year changes are:

Portfolio

- commercial loans increased $66 million (12%) and comprise 24% of the portfolio compared to 25% one year ago;
- construction and real estate loans grew $146 million (12%) and represent 39% of the portfolio versus 38% a year earlier;
- the industrial portfolio increased $40 million (10%);
- the energy portfolio, a specialty in our Calgary market, grew $12 million (25%); and
- loans to individuals represent 15% of the total portfolio, down from 16% in 1999.

Loans by Portfolio



Location

- loan growth of $261 million (23%) in the prairie provinces (primarily in Alberta); and
- loans held at Alberta branches increased from 42% of the total portfolio at October 31, 1999 to 48% at October 31, 2000 due to strong economic growth in the province with a corresponding decrease in the British Columbia loan portfolio from 50% to 44%.

In 2001 the business plan focuses on continued growth in all portfolios. Although the market remains competitive, continued strong loan growth is planned for 2001 as the Bank expands its activities and adds to its branch network.

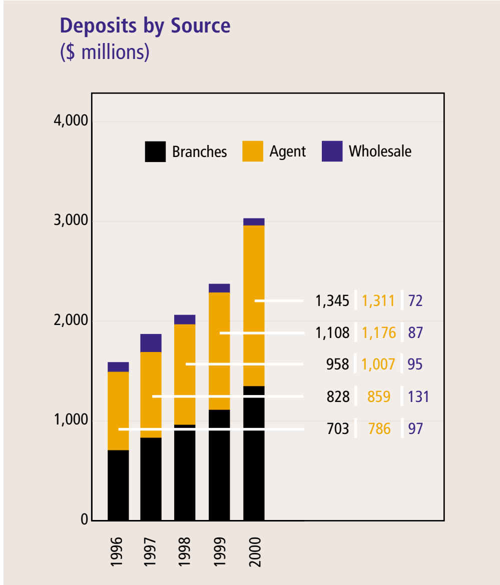
In 2001, the Bank will add to its branch network and expand its activities to foster growth in all portfolios. The Bank is in a good position to take advantage of the current strength in the western economy.

Deposits

TABLE 6 – DEPOSITS

($ thousands)

	2000		1999	
	Amount	% of Total	Amount	% of Total
Canadian Currency				
Personal chequing and savings	$ 117,215	4.3 %	$ 86,933	3.7 %
Business demand and savings	238,579	8.7	172,734	7.3
Fixed term:				
Under $100,000	1,481,227	54.3	1,289,839	54.4
$100,000 and over	364,441	13.4	312,203	13.1
Registered retirement products	514,321	18.9	498,384	21.0
Total	2,715,783	99.6	2,360,093	99.5
Foreign Currency (Canadian equivalent)	12,026	0.4	10,982	0.5
Total Deposits	$ 2,727,809	100.0 %	$ 2,371,075	100.0 %



Growth of 15% in deposits was achieved this year which was consistent with last year. Of note, is that the lower cost business and personal deposits grew faster than total deposits while the mix of fixed term deposit types remained much the same as in the prior year. The focus on increasing lower cost deposits will continue to be an ongoing priority.

The source of deposits is broken down as follows:

- branches – 49% (1999 - 47%)
- deposit agents – 48% (1999 - 49%)
- wholesale clients – 3% (1999 - 4%)

CWT deposits are included in the foregoing numbers. The Bank's branch network generated $43.1 million of CWT's deposits (a 39% increase from last year), and the remainder are received through deposit agents, as CWT has no retail branches.

Retail branch deposits are generally considered to be more stable and it is an ongoing objective to strive for further growth in this area. Agent deposits are slightly more expensive because a commission is paid, but this added cost is countered by a reduced need for a more extensive branch network.

Capital Funds *and Adequacy*

TABLE 7 – CAPITAL STRUCTURE AND REGULATORY RATIOS AT YEAR END

($ thousands)

	2000	1999	2000/1999 Increase (decrease)
Tier 1 Capital			
Retained earnings	$ 83,853	$ 61,066	$ 22,787
Common shares	111,342	98,484	12,858
Non-controlling interest in subsidiary	–	234	(234)
Less unamortized goodwill	(194)	(448)	254
Total	195,001	159,336	35,665
Tier 2 Capital (gross)			
General allowance for credit losses (Tier A) [1]	17,911	15,996	1,915
Subordinated debentures (Tier B)	67,126	78,691	(11,565)
Total	85,037	94,687	(9,650)
Total Regulatory Capital	$ 280,038	$ 254,023	$ 26,015
Regulatory Capital to Risk-weighted Assets			
Tier 1 capital	8.1%	7.4%	0.7%
Tier 2 capital	3.5%	4.4%	(0.9)%
Total Regulatory Capital Adequacy Ratio	11.6%	11.8%	(0.2)%
Assets to Regulatory Capital Multiple [2]	11.1	10.8	0.3

(1) Banks are allowed to include their general allowance for credit losses up to a prescribed percentage of risk-weighted assets in Tier 2A capital. The Bank has been granted an inclusion rate of 0.75% of risk-weighted assets.
(2) Total assets plus off-balance sheet credit instruments, such as letters of credit and guarantees, less goodwill divided by total regulatory capital.

TABLE 8 – RISK-WEIGHTED ASSETS

($ thousands)

	2000 Balance	2000 Risk-weighted Balance	1999 Balance	1999 Risk-weighted Balance
Balance Sheet Assets				
Cash resources	$ 214,935	$ 42,695	$ 169,990	$ 33,685
Securities	231,416	30,274	205,192	40,287
Loans	2,560,092	2,255,509	2,253,598	2,001,990
Other assets	49,160	46,141	63,602	54,709
Total	$ 3,055,603	2,374,619	$ 2,692,382	2,130,671
Credit Instruments [1] (contract amounts)				
Guarantees and standby letters of credit	$ 42,489	29,366	$ 27,479	17,659
Commitments to extend credit [2]	1,844	922	843	422
Total	$ 44,333	30,288	$ 28,322	18,081
Derivative Financial Instruments [3] (notional amounts)				
Interest rate contracts	$ 269,000	136	$ 269,000	84
Equity contracts	3,535	164	2,200	35
Total	$ 272,535	300	$ 271,200	119
Total Risk-weighted Assets		$ 2,405,207		$ 2,148,871

(1) See Note 11 to the Consolidated Financial Statements for further details.
(2) Greater than one year only.
(3) See Note 15 to the Consolidated Financial Statements for further details.

The Office of the Superintendent of Financial Institutions ("OSFI") requires banks to measure capital adequacy in accordance with instructions for determining risk-adjusted capital and risk-weighted assets including off-balance sheet commitments. Based on the deemed credit risk of each type of asset a weighting of 0% to 100% is assigned. Published regulatory guidelines require banks to maintain a minimum ratio of capital to risk-weighted assets and off-balance sheet items of 8%, of which 4% must be core capital (Tier 1) and the remainder supplementary capital (Tier 2).

However, in order to be considered well capitalized, OSFI has stated that Canadian banks need to maintain a minimum total capital adequacy ratio of 10% with a Tier 1 ratio of not less than 7%. In the Bank, Tier 1 capital is comprised of common shareholders' equity and Tier 2 capital includes subordinated debentures (to the regulatory maximum amount of 50% of Tier 1 capital) and an inclusion of the general allowance for credit losses at a prescribed inclusion rate based on risk-weighted assets. OSFI has authorized the inclusion of the general allowance in Tier 2A capital at up to 75 basis points (0.75%) of risk-weighted assets.

Capital funds are managed in accordance with policies and plans that are regularly reviewed and approved by the Board of Directors and which take into account forecasted capital needs and markets. The goal is to maintain adequate regulatory capital to be considered well capitalized, to protect customer deposits and to provide capacity for internally generated growth and strategic opportunities that do not otherwise require accessing the public capital markets. The capital mix is managed to improve the return on equity.

At October 31, 2000 the total capital adequacy ratio was 11.6% (1999 - 11.8%) of which 8.1% (1999 - 7.4%) was Tier 1 capital. Total regulatory capital increased $26.0 million over 1999 as a result of:

- earnings, net of dividends, of $23.2 million;
- share capital of $1.3 million issued upon the exercise of 119,026 stock options;
- increase in the inclusion of the general allowance for credit losses of $1.9 million due to higher risk-weighted assets; offset by
- a charge to retained earnings of $383,000 for share issue costs related to the conversion of Tier 2 debentures.

The Bank is well capitalized with a total capital adequacy ratio of 11.6% of which 8.1% is Tier 1 capital

Subordinated debentures include both convertible ($54.0 million) and conventional ($13.1 million) debentures. Note 8 to the Consolidated Financial Statements details the terms of the debentures. On November 30, 1999 the remaining $11.6 million of the 6.75% convertible debentures were converted by debentureholders into 925,000 shares at $12.50 per share which resulted in a transfer from Tier 2 to Tier 1 capital.

In each of January and July 2000, semi-annual dividends of $0.17 were paid. During the third quarter of 1999, the Bank's dividend policy was amended to be semi-annual instead of annual.

Thus the total dividend rate of $0.48 for fiscal 1999 appears unusually high because in January 1999 the final annual dividend of $0.32 per share was paid and in July 1999 the first semi-annual dividend of $0.16 was paid.

The Bank has share option plans that are provided as an incentive to officers and employees who are in a position to materially impact the longer term financial success of the Bank as measured by shareholder wealth. Note 9 to the Consolidated Financial Statements details the number of shares under option outstanding, the weighted average exercise price and the amounts exercisable at year-end.

Risk *Management*

OVERVIEW

The risk management policies continue to evolve and improve in order to accommodate the new challenges that come with growth, expansion and changes in the regulatory and public domain within which financial institutions operate. Effective risk management is central to the ability to remain strong and profitable and includes identifying, assessing, managing and monitoring all forms of risk. The Bank is primarily exposed to four basic types of risk; credit, liquidity, market and operational.

Senior management put decades of experience to work managing the four basic types of risks that the Bank is exposed to:
credit
liquidity
market
operational

Senior management are responsible for establishing the framework for identifying risks and developing appropriate risk management policies and frameworks. The Board of Directors, either directly or through its committees, reviews and approves the key policies, and implements specific reporting procedures to enable them to monitor ongoing compliance over significant risk areas. At least annually a report on significant internal controls is presented to the Board and the Audit Committee.

The Loans Committee of the Board, which maintains a close working relationship with the credit risk management group, is responsible for:

- the review and approval of credit risk management policies;
- loans in excess of delegated limits;
- the review and monitoring of impaired and other less than satisfactory loans; and
- the recommendation of the adequacy of the allowance for credit losses to the Audit Committee.

At the operational level, the Asset Liability Committee ("ALCO") plays a key role in the management of liquidity and market risk. ALCO is a management committee chaired by an Executive Vice President with the President and Chief Executive Officer ("CEO") and other senior executives as members and is responsible for:

- the establishment and maintenance of policies and programs for liquidity management and control, funding sources, investments, foreign exchange risk, interest rate risk and derivatives; and
- regular meetings to review compliance and discuss strategy in this area.

Asset liability management policies are approved and reviewed at least annually by the Board with quarterly status reporting provided to the Board.

The Operations Committee meets regularly and is made up of supervisory and management personnel from all areas of operations and is chaired by a member of senior management. This committee is responsible for developing appropriate policies and procedures, including internal controls, respecting day-to-day, routine operations.

The internal audit department performs inspections in all areas of the Bank, including CWT, and reports the results directly to senior management, the President and CEO and the Audit Committee.

CREDIT RISK

Credit risk is the risk that a financial loss will be incurred due to the failure of a counterparty to discharge its contractual commitment or obligation to the Bank. This risk can relate to balance sheet assets, such as loans, as well as off-balance sheet assets such as guarantees and letters of credit. To diversify the risk, the exposure to a single borrower or associated borrowers is limited to $18 million. In certain circumstances, exposure can be increased to an amount not exceeding 10% of regulatory capital.

The Bank employs and is committed to a number of important principles to manage credit exposures which include:

- a Loans Committee of the Board whose duties include approval of lending policies, establishment of lending limits for the Bank, the delegation of lending limits and the review of larger credits as well as quarterly reports prepared by management on watch list loans, impaired loans, the adequacy of the allowance for credit losses, environmental risk and diversification of the portfolio;
- delegated lending authorities which are clearly communicated to personnel engaged in the credit granting process, a defined approval process for loans in excess of limits and the review of larger credits by a senior management group prior to recommendation to the Loans Committee of the Board;
- credit policies, guidelines and directives which are communicated to all branches and officers whose activities and responsibilities include credit granting and risk assessment;
- appointment of personnel engaged in credit granting who are qualified, experienced bankers;
- a standardized credit risk rating classification established for all credits and reviewed not less than annually;
- annual reviews of individual credit facilities (excepting consumer loans and residential mortgages);
- diversification of risk by client, geographic area, industry sectors and products;
- pricing of credits commensurate with risk to ensure appropriate compensation;
- management of growth within quality objectives;
- early recognition of problem accounts and immediate implementation of steps to protect the safety of Bank funds;
- independent annual reviews of credit valuation, risk classification and credit management procedures by the internal audit group which includes reporting the results to senior management, the President and CEO and the Audit Committee; and
- detailed quarterly reviews of accounts rated less than satisfactory including a watch list report recording accounts with evidence of weakness, an impaired loan report covering loans which show impairment to the point where a loss is possible, and the establishment of an action plan for each account.

Environmental Risk

The operations conducted by the Bank do not impose a material effect on the environment. However, losses can be incurred if a borrower is unable to repay loans due to environmental clean up costs or if the Bank becomes directly liable for clean up costs if it is deemed to have taken control or ownership of a contaminated property.

Risk assessment criteria and procedures are in place to manage environmental risks and these are communicated to lending personnel. Reports on environmental inspections and findings are reviewed by senior management and reported upon quarterly to the Board.

Portfolio Quality

The Bank's strategy is to continually improve and maintain a quality portfolio. Efforts are directed towards achieving a wide diversification, engaging experienced personnel who provide a hands on approach in credit granting, account management and quick action when problems develop.
The lending focus is primarily directed to small and medium-sized businesses and individuals with operations conducted in the four western provinces. Relationship banking and "know your customers" are important tenets of account management. An appropriate financial return on the level of risk is fundamental.

Impaired Loans

Gross impaired loans decreased $7.1 million in 2000 reflecting a general improvement in the loan portfolio. As shown in Table 9, gross impaired loans total $31.1 million representing 1.21% (1999 - 1.69%) of total outstanding loans.

Account management is more about relationships than just about anything else. It's important to know your customer's business and you can't do that unless you know them by name and feel comfortable getting to know them as people.

Net Impaired Loans as a Percentage of Net Loans Outstanding

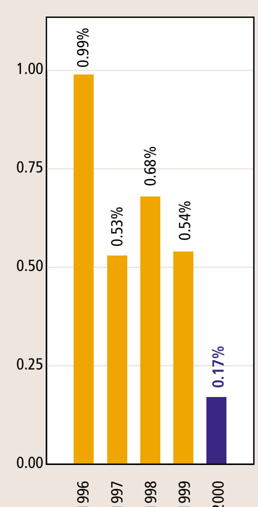


TABLE 9 – CHANGE IN GROSS IMPAIRED LOANS

($ thousands)

	2000	1999	2000/1999 Increase (decrease)
Gross impaired loans, beginning of year	$ 38,189	$ 26,345	$ 11,844
Net (reductions) additions	(2,612)	14,158	(16,770)
Write-offs	(4,480)	(2,314)	2,166
Total	$ 31,097	$ 38,189	$ (7,092)
Gross Impaired Loans as a Percentage of Total Loans	1.21 %	1.69 %	(0.48)%

Net impaired loans were 0.17% of total loans at October 31, 2000, compared to 0.54% one year ago.

Impaired loans net of the allowance for credit losses have decreased over the past year and represent 0.17% (1999 - 0.54%) of net loans outstanding. The impaired loan outlook going forward into 2001 is expected to be stable as economic conditions are trending positively.

Table 10 shows the year over year change to the allocation of the allowance for credit losses to specific provisions by category of impaired loans and to the general allowance for credit risk.

TABLE 10 – ALLOWANCE FOR CREDIT LOSSES

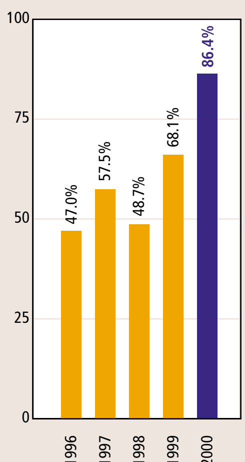
($ thousands)

	1999 Ending Balance	Write-offs, Net of Recoveries (1)	Provision for Credit Losses	2000 Ending Balance
Specific Provisions				
Consumer and personal	$ 348	$ 265	$ 227	$ 310
Real estate	2,526	2,395	1,633	1,764
Industrial	1,238	481	1,521	2,278
Other	1,060	1,117	1,652	1,595
General Allowance (2)	20,848	–	67	20,915
Total	$ 26,020	$ 4,258	$ 5,100	$ 26,862

(1) Recoveries in 2000 totalled $222 (1999 - $48).

(2) In 1999, in accordance with guidance provided by OSFI, the Bank increased its general allowance for credit risk by $11.7 million. Accordingly, retained earnings was reduced by $6.5 million representing the increase in the general allowance, net of deferred income taxes of $5.2 million.

Allowance for Credit Losses as a Percentage of Gross Impaired Loans

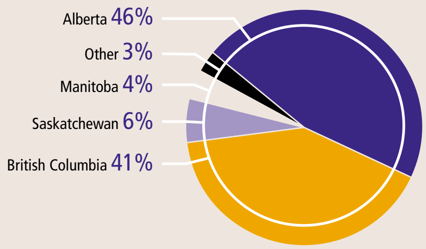


Allowance For Credit Losses

The allowance for credit losses consists of $5.9 million in specific provisions and $20.9 million in the general allowance for credit risk with the latter now representing 0.82% of gross outstandings and 0.92% of risk-weighted credit assets. This compares favorably with the Bank's five year loan loss average of 0.23% which is based on the annual charges to the income statement. The five year loan loss average based only on net new specific provisions (i.e. excluding the annual increase or decrease in the general allowance for credit risk) is 0.18%. The general allowance is available to cover credit losses inherent in the portfolio which are not currently identifiable on an account by account basis. An assessment of the adequacy of the general allowance is conducted quarterly and measured against the five year loan loss average. In addition, a method of applying a progressive (increasing with higher risk) loss ratio range against groups of loans of a common risk rating is utilized to test the general allowance adequacy. The general allowance would be expected to increase in strong economic times and decrease in weaker economic times as provisions are allocated to specific credits.

In October 1998 OSFI began providing guidance to all deposit-taking institutions on establishing general allowances for credit risk (unallocated loan loss provisions) in their ongoing program to strengthen general allowances and related methodologies. While OSFI did not believe that there was a systemic problem of asset quality in the Canadian system, they felt the need for higher general allowances was supported by, amongst other things, the current position in

Geographical Distribution of Loans



the economic cycle, growing potential off-balance sheet activity and associated credit risk, and the current levels of allowances of a number of Canadian institutions in relation to historical levels and compared to institutions in other jurisdictions.

OSFI's revised general allowance criteria were effective for 1999. In accordance with the guidance provided by OSFI, $11.7 million was added to the general allowance at April 30, 1999 and was charged to retained earnings with no restatement of prior periods. Consequently, an amount of $6.5 million, representing the $11.7 million adjustment less deferred income taxes of $5.2 million, was charged to retained earnings. In response to OSFI's ongoing guidance the Bank is furthering the development of policies governing the measurement and minimum threshold of the general allowance as well as action to be taken in the event of a material drawdown of the general allowance.

Provision for Credit Losses

For the year ended October 31, 2000, the provision for credit losses represented 0.21% of average loans. As reflected in the graph below, the provision for credit losses remains below the five year average of 0.23% reflecting the strong credit quality of the portfolio.

Diversification of Portfolio

Total Advances Based on Location of Borrower (also see Table 5)

The following table illustrates the diversification in our lending operations by industry sector.

Provision for Credit Losses as a Percentage of Average Loans Outstanding (5 year average 0.23%)

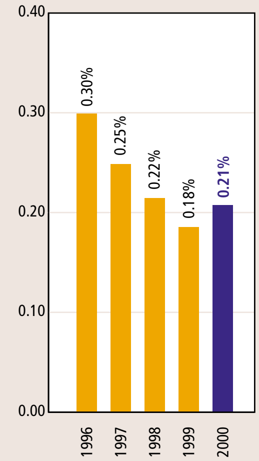


TABLE 11 – TOTAL ADVANCES BASED ON INDUSTRY SECTOR

(%) October 31	2000	1999
Construction	22.7 %	20.4 %
Real estate operations	22.2	24.5
Consumer loans and residential mortgages	13.8	16.5
Transportation and storage	7.1	6.9
Hotel/motel	4.4	4.0
Other services	4.2	2.7
Manufacturing	4.0	4.1
Logging/forestry	3.3	3.0
Finance and insurance	3.2	3.0
Oil and gas (production)	2.7	2.5
Wholesale trade	2.6	2.5
Government guaranteed	0.9	1.1
Other	8.9	8.8
Total	100.0 %	100.0 %

Management of the loan portfolio includes the strategy of avoiding high concentrations in one geographic area or industry sector. The Bank's portfolio is well diversified with a mix of corporate and personal business. Industrial lending units are set up within branches or as stand alone operations, while oil and gas lending is conducted by specialists in our Calgary market. In addition to these areas, the Bank also has real estate divisions established in the major centres in which it operates.

LIQUIDITY RISK

Liquidity risk is the risk that the Bank will not have sufficient cash to meet its obligations as they become due. This risk arises from fluctuations in cash flows from lending, deposit taking, investing and other activities.

Effective liquidity management ensures that adequate cash is available to honour all cash outflow obligations. Maintenance of a prudent liquidity base also provides flexibility to fund loan growth and to react to other market opportunities.

The Bank's liquidity policy includes:

- measurement and forecast of cash flows;
- maintenance of a high quality pool of liquid assets;
- a stable base of core deposits from retail and commercial customers;
- limits on single deposits and sources of deposits;
- diversification of funding sources; and
- an approved contingency plan.

Key features of liquidity management are:

- daily monitoring of expected cash inflows and outflows and tracking and forecasting the liquidity position, including the flows from off-balance sheet items, on a weekly and forward three month rolling basis;
- consideration of the term structure of assets and liabilities, with emphasis on deposit maturities, as well as expected loan fundings and other commitments to provide funds when determining required levels of liquidity; and
- separate management of the liquidity position of the Bank and CWT to ensure compliance with related party and other regulatory tests.

A schedule outlining the consolidated securities portfolio at October 31, 2000 is provided in Note 2 to the Consolidated Financial Statements.

A conservative policy is maintained in this area with:

- virtually all investments limited to high quality debt securities and short term money market instruments to meet objectives of liquidity management and to provide an appropriate return;
- specific investment criteria and procedures for purposes of management of the securities portfolio;
- regular review, monitoring and approval by ALCO of policies regarding these investments and annual review and approval by the Board of Directors; and
- quarterly reporting to the Board of Directors on the securities portfolio.

TABLE 12 – LIQUID ASSETS

($ thousands)

	2000	1999	2000/1999 Increase (decrease)
Cash	$ 1,460	$ 1,562	$ (102)
Deposits with regulated financial institutions	168,652	136,456	32,196
Cheques in transit	44,823	31,972	12,851
Total Cash Resources	214,935	169,990	44,945
Securities purchased under resale agreements	84,932	41,017	43,915
Government of Canada treasury bills	15,826	63,928	(48,102)
Government of Canada and provincial bonds term to maturity 1 year or less	123,844	52,248	71,596
Government of Canada and provincial bonds term to maturity over 1 year	61,477	48,729	12,748
Other marketable securities	28,921	38,938	(10,017)
Total Securities Purchased Under Resale Agreements and Marketable Securities	315,000	244,860	70,140
Total Liquid Assets	$ 529,935	$ 414,850	$ 115,085
Total Assets	$ 3,055,603	$ 2,692,382	$ 363,221
Liquid assets as a percentage of total assets	17.3 %	15.4 %	1.9 %
Total Deposit Liabilities	$ 2,727,809	$ 2,371,075	$ 356,734
Liquid assets as a percentage of total deposit liabilities	19.4 %	17.5 %	1.9 %

As shown in Table 12, liquid assets comprised of cash, interbank deposits, items in transit, securities purchased under resale agreements and marketable securities, totalled $530 million at October 31, 2000, an increase of $115 million from October 31, 1999. Liquid assets represented 17.3% (1999 - 15.4%) of total assets and 19.4% (1999 - 17.5%) of total deposit liabilities at that date.

Highlights of the composition of liquid assets at October 31, 2000 follow:

- maturities within one year total 86% of liquid assets or $455 million;
- Government of Canada treasury bills made up 3% of the liquid assets with other Government of Canada and provincial debt securities accounting for 35% of liquid assets; and
- deposits with regulated financial institutions including bankers acceptances were 32% of liquid assets.

Also included in liquid assets are securities purchased under resale agreements. These are short term advances, typically no more than a few days in duration, to securities dealers and require the dealer to repurchase the securities comprised of treasury bills or other high quality liquid securities.

Short term credit facilities have been arranged with a number of financial institutions. The expansion of such facilities will continue to be pursued as an additional liquidity safeguard. The government insured/guaranteed mortgage and loan portfolios also represent a potential source of liquidity.

The primary source of new funding is the issuance of deposit instruments. A summary of the deposits by maturity is presented in Tables 13 and 14.

Our retail and commercial customers remain the prime target for growth in deposits.

In 2001, the Bank will continue to pursue these customers aggressively to increase the number and size of deposits made through CWB's 25 branches.

TABLE 13 – DEPOSIT MATURITIES WITHIN ONE YEAR

($ millions)

October 31, 2000	Within 1 Month	1 to 3 Months	3 Months to 1 Year	Cumulative Within 1 Year
Demand deposits	$ 72	$ –	$ –	$ 72
Notice deposits	293	–	–	293
Deposits payable on a fixed date	343	177	912	1,432
Total	$ 708	$ 177	$ 912	$ 1,797
October 31, 1999 Total	$ 521	$ 152	$ 806	$ 1,479

TABLE 14 – TOTAL DEPOSIT MATURITIES

($ millions)

October 31, 2000	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Total
Demand deposits	$ 72	$ –	$ –	$ –	$ –	$ 72
Notice deposits	293	–	–	–	–	293
Deposits payable on a fixed date	1,432	372	261	186	112	2,363
Total	$ 1,797	$ 372	$ 261	$ 186	$ 112	$ 2,728
October 31, 1999 Total	$ 1,479	$ 353	$ 229	$ 158	$ 152	$ 2,371

When the Bank's interest-sensitive assets exceed interest-sensitive liabilities (over a specific period), it creates a positive interest rate gap, which often leads to an increase in net interest income when market interest rates rise (since assets reprice earlier than liabilities).

A breakdown of deposits by source is provided under the heading Deposits. Target limits by source have been established as part of the Bank's overall liquidity policy and are monitored to ensure an acceptable level of diversification in sources of funding is maintained. The Bank continues to aggressively pursue retail deposits generated through its branch network as a core funding source. However, the total dollar value of agent generated deposits will likely continue to increase even though the goal is to decrease funding from this source as a percentage of total deposit liabilities. CWT continues to raise essentially all of its deposits through agents. CWT's deposit products are also raised through the Bank's branch network and at October 31, 2000, $43.1 million (1999 - $30.9 million) of CWT deposits had been raised in this manner.

MARKET RISK

Market risk is the impact on earnings resulting from changes in financial market variables such as interest rates and foreign exchange rates. Market risk arises when making loans, taking deposits and making investments.

The Bank itself does not undertake trading activities and, therefore, does not have risks related to such activities as market making, arbitrage or proprietary trading. Therefore, the Bank's material market risks are confined to interest rates and foreign exchange as discussed below.

Interest Rate Risk

Interest rate risk or sensitivity can be defined as the impact on net interest income, both current and future, resulting from a change in market interest rates. This risk and potential variability in earnings arises primarily when cash flows associated with interest sensitive assets and liabilities have different repricing dates. The differentials, or interest rate gaps, arise as a result of the financial intermediation process and reflect differences in term preferences on the part of borrowers and depositors.

A positive interest rate gap exists when interest sensitive assets exceed interest sensitive liabilities for a specific maturity or repricing period. A positive gap will tend to lead to an increase in net interest income when market interest rates rise since assets are repricing earlier than liabilities. The opposite impact will occur when market interest rates fall. A negative gap is the opposite of a positive gap.

To manage interest rate risk arising as a result of the financial intermediation process, ALCO establishes policy guidelines for interest rate gap positions and meets regularly to monitor the Bank's position and decide future strategy. The objective is to manage the interest rate risk within prudent guidelines. Interest rate risk policies are approved and reviewed at least annually by the Board of Directors with quarterly reporting provided to the Board as to the gap position.

Exposure to interest rate risk is controlled by managing the size of the static gap positions between interest sensitive assets and interest sensitive liabilities for future periods. Gap analysis is supplemented by computer simulation of the asset liability portfolio structure and dollar estimates of net interest income sensitivity for periods of up to one year. The interest rate gap is measured at least monthly.

Table 15 shows the consolidated gap position at October 31, 2000 for selected time intervals. Comparative summary figures are given at October 31, 1999. Figures in brackets represent an excess of liabilities over assets or a negative gap position.

TABLE 15 – ASSET LIABILITY GAP POSITIONS

($ millions)

October 31, 2000	Floating Rate and Within 1 Month	1 to 3 Months	3 Months to 1 Year	Total Within 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Sensitive	Total
Assets								
Cash resources	$ 95	$ 15	$ 54	$ 164	$ 3	$ –	$ 48	$ 215
Securities	50	35	70	155	66	10	–	231
Loans	1,220	127	385	1,732	856	–	(28)	2,560
Other assets	–	–	–	–	–	–	49	49
Off-Balance sheet swaps	–	35	170	205	68	–	–	273
Total	1,365	212	679	2,256	993	10	69	3,328
Liabilities and Equity								
Deposits	708	177	912	1,797	931	–	–	2,728
Other liabilities	–	–	–	–	–	–	66	66
Debentures	–	–	–	–	67	–	–	67
Shareholders' equity	–	–	–	–	–	–	195	195
Off-Balance sheet swaps	272	–	–	272	–	–	–	272
Total	980	177	912	2,069	998	–	261	3,328
Interest Rate Sensitive Gap	$ 385	$ 35	$ (233)	$ 187	$ (5)	$ 10	$ (192)	$ –
Cumulative Gap	$ 385	$ 420	$ 187	$ 187	$ 182	$ 192	$ –	$ –
Cumulative Gap as a Percentage of Total Assets	11.6 %	12.6 %	5.6 %	5.6 %	5.5 %	5.8 %	–	–

October 31, 1999	Floating Rate and Within 1 Month	1 to 3 Months	3 Months to 1 Year	Total Within 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Sensitive	Total
Total assets	$ 1,082	$ 164	$ 623	$ 1,869	$ 995	$ 9	$ 90	$ 2,963
Total liabilities and equity	814	152	806	1,772	959	–	232	2,963
Interest Rate Sensitive Gap	$ 268	$ 12	$ (183)	$ 97	$ 36	$ 9	$ (142)	$ –
Cumulative Gap	$ 268	$ 280	$ 97	$ 97	$ 133	$ 142	$ –	$ –
Cumulative Gap as a Percentage of Total Assets	9.0 %	9.4 %	3.3 %	3.3 %	4.5 %	4.8 %	–	–

Notes:

1. Accrued interest is excluded in calculating interest sensitive assets and liabilities.
2. Potential prepayments of fixed rate loans and early redemption of redeemable fixed term deposits have not been estimated. Redemptions of fixed term deposits where depositors have this option are not expected to be material. Deposits with a redemption option totalled approximately $8 million as at October 31, 2000. The majority of fixed rate loans, mortgages and leases are either closed or carry prepayment penalties.

The gap analysis in Table 15 is a static measurement of interest rate sensitive gaps at a specific time. These gaps can change significantly in a short period of time. The impact of changes in market interest rates on earnings will depend upon the magnitude and rate of change in interest rates as well as the size and maturity structure of the cumulative interest rate gap position and management of those positions over time.

During the year:

- the one year and under cumulative gap increased from 3.3% to 5.6%; and
- the one month and under gap increased from 9.0% to 11.6%.

Of the $1,430 million in fixed term deposit liabilities maturing within one year from October 31, 2000, approximately $121 million (4.4% of total deposit liabilities) are fixed term registered retirement product deposits maturing between December 1, 2000 and April 30, 2001. The term in which these deposits and other maturing deposits are retained will have an impact on the future asset liability structure and hence interest rate sensitivity.

The effective interest rates for each class of financial asset and liability, including off-balance sheet instruments, are shown in Table 16.

TABLE 16 – WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

(%)

October 31, 2000	Floating Rate and Within 1 Month	1 to 3 Months	3 Months to 1 Year	Total Within 1 Year	1 Year to 5 Years	Over 5 Years	Total
Assets							
Cash resources	5.7 %	5.9 %	6.0 %	5.8 %	6.0 %	– %	5.8 %
Securities	5.7	5.6	6.0	5.8	5.8	5.6	5.8
Loans	8.2	7.5	8.1	8.2	7.9	–	8.1
Off-Balance sheet swaps	–	5.8	6.1	6.0	5.8	–	6.0
Total	8.0	6.8	7.2	7.6	7.7	5.6	7.6
Liabilities							
Deposits	4.2	5.6	5.9	5.2	5.9	–	5.5
Debentures	–	–	–	–	5.7	–	5.7
Off-Balance sheet swaps	5.8	–	–	5.8	–	–	5.8
Total	4.7	5.6	5.9	5.3	5.9	–	5.5
Interest Rate Sensitive Gap	3.3 %	1.2 %	1.3 %	2.3 %	1.8 %	5.6 %	2.1 %
October 31, 1999							
Total assets	6.9 %	6.2 %	6.6 %	6.8 %	7.5 %	5.5 %	7.0 %
Total liabilities	3.8	5.1	5.5	4.7	5.7	–	5.0
Interest Rate Sensitive Gap	3.1 %	1.1 %	1.1 %	2.1 %	1.8 %	5.5 %	2.0 %

The estimated sensitivity of net interest income to a change in interest rates is presented in Table 17. The amounts represent the estimated change in net interest income over the time period shown resulting from a one percentage point change in interest rates. If rates increase, the effect would be an increase in net interest income while the opposite would occur if rates decrease. The estimates are based on a number of assumptions and factors, which include:

- a constant structure in the asset liability portfolio;
- interest rate changes affect interest sensitive assets and liabilities by the same amount and are applied at the appropriate repricing dates; and
- no early redemptions.

The interest sensitivity of the portfolio increased in both absolute dollar terms and as a percentage of estimated future net interest income during the year, but remained within policy guidelines.

TABLE 17 – ESTIMATED SENSITIVITY OF NET INTEREST INCOME AS A RESULT OF A ONE PERCENTAGE POINT CHANGE IN INTEREST RATES

($ thousands)

Period	2000	1999
90 days	$ 948	$ 601
1 year	3,654	1,938
1 year percentage change	4.8 %	3.3 %

It is management's intention to continue to manage the asset liability structure and interest rate sensitivity through pricing and product policies to attract appropriate assets and liabilities as well as through the use of interest rate swaps or other appropriate hedging techniques (see discussion under Off-Balance Sheet Financial Instruments Including Derivatives). Assets and liabilities having a term to maturity in excess of five years are subject to specific review and control and with the exception of debentures, as outlined in Note 8 to the Consolidated Financial Statements, such items were not material as at October 31, 2000.

Foreign Exchange Risk
In providing financial services to its customers, the Bank has assets and liabilities denominated in U.S. dollars. At October 31, 2000, assets denominated in U.S. dollars were 0.4% of total assets and U.S. dollar liabilities were 0.4% of total liabilities. The percentages are unchanged from October 31, 1999. Currencies other than U.S. dollars are not bought or sold other than to meet specific customer needs and therefore, the Bank has virtually no exposure to currencies other than U.S. dollars.

Foreign exchange risk arises when there is a difference between assets and liabilities denominated in U.S. dollars. Policy is established setting a limit on the difference between U.S. dollar assets and liabilities. The difference is measured daily and managed by use of U.S. dollar contracts or other means. Policy respecting foreign exchange exposure is reviewed and approved at least annually by the Board of Directors, and deviations from policy are reported to the Board and ALCO.

OPERATIONAL RISK

Operational risk is the potential for loss as a result of a failure in communication, information or transaction processing due to system or procedural failures, errors, natural disasters or fraudulent activities.

The financial measure of operational risk is actual losses incurred. No material losses occurred in 2000 or 1999.

These risks can never be completely eliminated but the Bank's strategy to minimize operational risk includes:

- a knowledgeable and experienced management team that is committed to the risk management policies;
- regular meetings of the Operations Committee, a management committee made up of supervisory and management personnel from all operational areas and chaired by a member of senior management, which is responsible for the development and recommendation of policies and procedures regarding day-to-day, routine operations;
- communication of the importance of effective risk management to all levels of staff through training and policy implementation;
- regular inspections for compliance and the effectiveness of procedural controls by a strong, independent internal audit team;
- implementation of policies and procedural controls appropriate to address identified risks and which include segregation of duties and built-in checks and balances;
- use of technology via automated systems with built-in controls;
- continual review and upgrade of systems and procedures; and
- updated and tested procedures and contingency plans for disaster recovery and business continuity.

In addition, the external auditors report annually on the efficiency and effectiveness of internal controls over significant risk areas and provide their report to the Audit Committee. The Bank also maintains appropriate insurance coverage through a financial institution bond policy.

Operations Committee... is responsible for the development and recommendation of policies and procedures regarding day-to-day operations.

Off-Balance Sheet Financial Instruments *Including Derivatives*

TABLE 18 – OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

($ thousands)

	2000	1999
Credit Instruments		
Guarantees and standby letters of credit [1]	$ 42,489	$ 27,479
Commitments to extend credit [2]	442,667	366,229
Total	$ 485,156	$ 393,708
Derivative Financial Instruments (notional amounts)		
Interest rate contracts [3]	$ 269,000	$ 269,000
Equity contracts [4]	3,535	2,200
Total	$ 272,535	$ 271,200
Assets Under Administration	$ 741,181	$ 559,978

(1) Letters of credit and guarantees are issued on behalf of clients to third party beneficiaries as part of normal business operations.

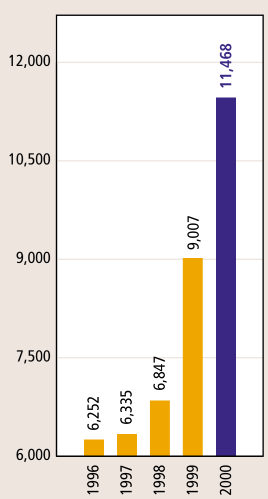
(2) Commitments to extend credit to customers arise in the normal course of business. Includes undrawn availability authorized under lines of credit and commercial operating loans of $183 million (1999 - $150 million) and recently authorized but unfunded loan commitments of $260 million (1999 - $216 million).

(3) Interest rate swaps are used as hedging devices to control interest rate risk. The outstanding swaps mature between December 2000 and July 2004. The total gross positive replacement cost of interest rate swaps was a positive $359 (1999 - $227). This market value represents an unrealized gain, or the payment the Bank would receive if these contracts were unwound and settled at that date.

(4) Equity contracts are used to offset the return paid to depositors on certain deposit products where the return is linked to a stock index. The outstanding contracts mature between March 2004 and February 2005. The total gross positive replacement cost is $538 (1999 - $17).

(5) U.S. dollar foreign exchange contracts are used from time to time to manage the difference between U.S. dollar assets and liabilities. At October 31, 2000 and 1999 there were no forward foreign exchange contracts outstanding.

Number of Self-directed Accounts



More detailed information on the nature of the Bank's off-balance sheet financial instruments is shown in Notes 11, 12 and 15 to the Consolidated Financial Statements.

Continued use of interest rate swaps or other off-balance sheet hedging instruments is expected in the future for the purpose of asset liability structuring and management of interest rate risk. The Bank only enters into these off-balance sheet derivative financial instruments for its own account and does not act as an intermediary in this market. Transactions are entered into on the basis of industry standard contracts with approved counterparties subject to periodic and at least annual review. Policies regarding the use of off-balance sheet financial instruments are approved, reviewed, and monitored on a regular basis by ALCO and reviewed and approved by the Board of Directors at least annually.

Trust assets under administration, administered by CWT, totalled approximately $741 million at October 31, 2000 (1999 - $560 million). These assets are primarily in self-directed RRSPs and RRIFs. Trust assets under administration are held in 11,468 accounts (1999 - 9,007), an increase of 27% from one year ago. Assets under administration, and the related fee income, are expected to increase in 2001.

Financial *Statements*

Management's *Report*

The consolidated financial statements of Canadian Western Bank and related financial information presented in this annual report have been prepared by management, who are responsible for the integrity, objectivity and reliability of the data presented. The consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles, other than the accounting for the general allowance for credit risk at October 31, 1999, which is in accordance with the accounting requirements of the Superintendent of Financial Institutions Canada under the Bank Act, as described in Note 1. The consolidated financial statements and related financial information reflect amounts which must, of necessity, be based on informed estimates and judgements of management with appropriate consideration to materiality. The financial information presented elsewhere in this annual report is consistent with that in the consolidated financial statements.

The Bank's accounting system and related internal controls are designed, and supporting procedures are maintained, to provide reasonable assurance that financial records are complete and accurate, that assets are safeguarded and that the Bank is in compliance with all regulatory requirements. These supporting procedures include the careful selection and training of qualified staff, defined division of responsibilities and accountability for performance, and the written communication of policies and guidelines of business conduct and risk management throughout the Bank.

The system of internal controls is also supported by the internal audit department which carries out periodic inspections of all aspects of the Bank's operations. The Chief Inspector has full and free access to the Audit Committee and to the external auditors.

The Audit Committee, appointed by the Board of Directors, is composed of directors who are not officers or employees of the Bank. The committee is responsible for reviewing the financial statements and annual report and recommending them to the Board of Directors for approval. Their responsibilities also include meeting with management, the Chief Inspector and the external auditors to discuss the effectiveness of internal controls over the financial reporting process, and the planning and results of the external audit.

The Conduct Review Committee, appointed by the Board of Directors, is composed of directors who are not officers or employees of the Bank. Their responsibilities include reviewing related party transactions, and reporting to the Board of Directors, those transactions which may have a material impact on the Bank.

The Superintendent of Financial Institutions Canada, at least once a year, makes such examination and enquiry into the affairs of the Bank as he may deem necessary or expedient to satisfy himself that the provisions of the Bank Act, having reference to the safety of the creditors and shareholders of the Bank, are being duly observed and that the Bank is in a sound financial condition.

Deloitte & Touche LLP, the external auditors, are appointed by the shareholders of the Bank. They have full and free access to, and meet periodically with, the Audit Committee to discuss their audit and matters arising therefrom.

"Larry M. Pollock"

Larry M. Pollock
President and Chief Executive Officer
December 1, 2000

"Tracey C. Ball, C.A."

Tracey C. Ball, C.A.
Senior Vice President and Chief Financial Officer

Auditors' *Report*

To The Shareholders of Canadian Western Bank

We have audited the Consolidated Balance Sheet of Canadian Western Bank as at October 31, 2000 and 1999 and the Consolidated Statements of Income, Changes in Shareholders' Equity and Cash Flow for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at October 31, 2000 and 1999 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles, other than the accounting for the general allowance for credit risk at October 31, 1999 which is in accordance with the accounting requirements of the Superintendent of Financial Institutions Canada under the Bank Act, as described in Note 1.

"Deloitte & Touche LLP"

Deloitte & Touche LLP
Chartered Accountants
Edmonton, Alberta
December 1, 2000

Consolidated *Balance Sheet*

As at October 31 ($ thousands)		2000	1999
ASSETS			
Cash Resources			
Cash		$ 1,460	$ 1,562
Deposits with regulated financial institutions		168,652	136,456
Cheques and other items in transit, net		44,823	31,972
		214,935	169,990
Securities	(Note 2)		
Issued or guaranteed by Canada		103,227	112,826
Issued or guaranteed by a province		97,920	52,079
Other securities		30,269	40,287
		231,416	205,192
Loans (net of allowance for credit losses)	(Notes 3 & 4)		
Securities purchased under resale agreements		84,932	41,017
Residential mortgages		273,104	272,428
Other		2,202,056	1,940,153
		2,560,092	2,253,598
Other			
Land, buildings and equipment	(Note 5)	14,750	13,218
Other assets	(Note 6)	34,410	50,384
		49,160	63,602
Total Assets		$ 3,055,603	$ 2,692,382
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Payable on demand		$ 71,572	$ 45,043
Payable after notice		293,370	221,456
Payable on a fixed date		2,362,867	2,104,576
		2,727,809	2,371,075
Other			
Other liabilities	(Note 7)	65,473	83,066
Subordinated Debentures	(Note 8)		
Conventional		13,126	13,126
Convertible		54,000	65,565
		67,126	78,691
Shareholders' Equity			
Capital stock	(Note 9)	111,342	98,484
Retained earnings		83,853	61,066
		195,195	159,550
Total Liabilities and Shareholders' Equity		$ 3,055,603	$ 2,692,382

"Jack C. Donald"

Jack C. Donald
Chairman

"Larry M. Pollock"

Larry M. Pollock
President and Chief Executive Officer

Consolidated *Statement of Income*

For the year ended October 31 ($ thousands, except per share amounts)		2000	1999
Interest Income			
Loans		$ 192,006	$ 164,435
Securities		12,363	9,543
Deposits with regulated financial institutions		5,913	3,035
		210,282	177,013
Interest Expense			
Deposits		132,951	110,396
Debentures		3,964	4,888
		136,915	115,284
Net Interest Income		73,367	61,729
Provision for credit losses	(Note 4)	5,100	3,750
Net Interest Income after Provision for Credit Losses		68,267	57,979
Other Income			
Credit related		9,540	7,805
Retail services		2,949	2,476
Trust services		1,644	1,485
Other		1,122	1,251
		15,255	13,017
Net Interest and Other Income		83,522	70,996
Non-Interest Expenses			
Salaries and employee benefits		27,207	23,694
Premises and equipment		8,824	8,131
Other expenses		9,810	10,079
Provincial capital taxes		2,246	2,822
		48,087	44,726
Net Income before Provision for Income Taxes		35,435	26,270
Provision for income taxes	(Note 10)	5,441	3,516
Net Income from Continuing Operations		29,994	22,754
Loss from discontinued operations	(Note 17)	3,045	2,901
Net Income		$ 26,949	$ 19,853
Average number of common shares outstanding		11,133,880	10,153,378
Average number of fully diluted common shares		13,649,587	13,516,000
Earnings per common share, continuing operations	(Note 1(k))		
basic		$ 2.69	$ 2.24
fully diluted		$ 2.49	$ 2.00
Earnings per common share	(Note 1(k))		
basic		$ 2.42	$ 1.96
fully diluted		$ 2.26	$ 1.79

Consolidated *Statement of Changes in Shareholders' Equity*

For the year ended October 31 ($ thousands)		2000	1999
Capital Stock			
Balance at beginning of year		$ 98,484	$ 89,595
Common shares issued	(Note 9)	12,858	9,069
Common shares purchased for cancellation		–	(180)
Balance at end of year		111,342	98,484
Retained Earnings			
Balance at beginning of year		61,066	55,673
Net income		26,949	19,853
Dividends		(3,779)	(4,860)
Share issue costs, net of income taxes of $175	(Note 9)	(383)	–
Adjustment to general allowance for credit risk, net of income taxes of $5,185	(Note 4)	–	(6,509)
Redemption of debenture	(Note 8)	–	(3,091)
Balance at end of year		83,853	61,066
Total Shareholders' Equity		$ 195,195	$ 159,550

Consolidated *Statement of Cash Flow*

For the year ended October 31 ($ thousands)		2000	1999
Cash Flows from Operating Activities			
Net income from continuing operations		$ 29,994	$ 22,754
Adjustments to determine net cash flows:			
Provision for credit losses		5,100	3,750
Depreciation and amortization		3,006	2,753
Deferred income taxes, net		1,839	2,964
Gain on sale of securities, net		(49)	(261)
Change in accrued interest receivable and payable, net		7,753	5,714
Other items, net		3,371	(3,060)
Cash provided from continuing operations		51,014	34,614
Cash (used in) provided from discontinued operations			
Loss from discontinued operations		(3,045)	(2,901)
Changes in non-cash net asset balances		(13,780)	1,407
		34,189	33,120
Cash Flows from Financing Activities			
Deposits, net		356,734	311,530
Dividends		(3,779)	(4,860)
Common shares issued, net of issue costs	(Note 9)	910	669
Redemption of subordinated debentures	(Note 8)	–	(7,091)
Issue of subordinated debentures	(Note 8)	–	4,000
Common shares purchased for cancellation	(Note 9)	–	(180)
		353,865	304,068
Cash Flows Used in Investing Activities			
Loans, net		(311,594)	(279,386)
Interest bearing deposits with regulated financial institutions, net		(44,194)	8,212
Securities, net		(26,176)	(43,531)
Land, buildings and equipment, net		(5,339)	(2,510)
		(387,303)	(317,215)
Increase in Cash and Cash Equivalents		751	19,973
Cash and Cash Equivalents at Beginning of Year		47,269	27,296
Cash and Cash Equivalents at End of Year *		$ 48,020	$ 47,269
*** Represented by:**			
Cash resources per Consolidated Balance Sheet		$ 214,935	$ 169,990
Less non-operating, interest bearing deposits with regulated financial institutions		166,915	122,721
Cash and Cash Equivalents at End of Year		$ 48,020	$ 47,269
Supplemental Disclosure of Cash Flow Information			
Amount of interest paid in the year		$ 126,728	$ 108,919
Amount of income taxes paid in the year		$ 1,514	$ 751

Notes *to Consolidated Financial Statements*

October 31, 2000
($ thousands, unless otherwise stated)

1 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with subsection 308 (4) of the Bank Act which states that, except as otherwise specified by the Office of the Superintendent of Financial Institutions Canada (“OSFI”), the financial statements are to be prepared in accordance with generally accepted accounting principles. The significant accounting policies used in the preparation of these financial statements, including the accounting requirements of OSFI, are summarized below.

Of necessity, management must make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and income and expenses during the year. Actual results could differ from those estimates.

OSFI has specified an accounting treatment for the general allowance for credit risk at October 31, 1999 which does not conform to generally accepted accounting principles. The accounting policies for all other financial statement items conform, in all material respects, to Canadian generally accepted accounting principles.

a) Basis of Consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Bank and all of its subsidiaries, after the elimination of intercompany transactions and balances. Subsidiaries are defined as corporations whose operations are controlled by the Bank and are corporations in which the Bank owns more than 50 percent of the voting shares. See Note 20 for details of the subsidiaries.

Business acquisitions are accounted for using the purchase method. The difference between the acquisition cost of an investment and the fair value of the net identifiable assets acquired represents goodwill or other identifiable intangibles. This excess amount is deferred and amortized to income over the anticipated period of benefit, not to exceed 20 years. The unamortized balance is recorded in other assets. The carrying value of goodwill and other identifiable intangibles is evaluated regularly by reviewing the expected cash flows generated by the acquired subsidiary or asset. Any permanent impairment in value is written off to the Consolidated Statement of Income.

b) Securities

Securities are held in either the investment account or the trading account.

Investment account securities are purchased with the original intention to hold the securities to maturity or until market conditions render alternative investments more attractive. Debt securities are stated at amortized cost and equity securities are stated at cost or, if the value is permanently impaired, at net realizable value. Gains and losses on disposal of securities and adjustments to record any permanent impairment in value are included in other income in the period of realization. Amortization of premiums and discounts are reported in interest income from securities in the Consolidated Statement of Income.

Trading account securities, which are purchased for resale over a short period of time, are carried at estimated current market value. Gains and losses realized on disposal and adjustments to market value are reported in other income in the Consolidated Statement of Income in the period during which they occur.

c) Loans

Loans are stated net of unearned income and an allowance for credit losses (Note 1(d)).

Interest income is recorded on the accrual basis except for loans classified as impaired. Loans are determined to be impaired when payments are contractually past due 90 days, or where the Bank has taken realization proceedings, or where the Bank’s management is of the opinion that the loan should be regarded as impaired. An exception may be made where management determines that the loan is well secured and in the process of collection and the collection efforts are reasonably expected to result in either repayment of the loan or restoring it to a current status within 180 days from the date the payment went in arrears. All loans are classified as impaired when a payment is 180 days in arrears other than loans guaranteed or insured for both principal and interest by the Canadian government, the provinces or a Canadian government agency. These loans are classified as impaired when payment is 365 days in arrears.

Impairment is measured as the difference between the carrying value of the loan at the time it is classified as impaired and the present value of the expected cash flows (estimated realizable amount), using the interest rate inherent in the loan at the date the loan is classified as impaired. When the amounts and timing of future cash flows cannot be reliably estimated, either the fair value of the security underlying the loan, net of any expected realization costs, or the current market price for the loan may be used to measure the estimated realizable amount. At the time a loan is classified as impaired, interest income will cease to be recognized in accordance with the loan agreement, and any uncollected but accrued interest will be added to the carrying value of the loan together with any unamortized premiums, discounts or loan fees. Subsequent payments received on an impaired loan are recorded as a reduction of the recorded investment in the loan. Impaired loans are returned to performing status when the timely collection of both principal and interest is reasonably assured and all delinquent principal and interest payments are brought current and all charges for loan impairment have been reversed.

d) Allowance for Credit Losses

The Bank maintains an allowance for credit losses, which in management's opinion, is adequate to absorb credit related losses in its loan portfolio. The allowance for credit losses is deducted from the loan balance on the Consolidated Balance Sheet.

The allowance for credit losses consists of specific provisions and the general allowance for credit risk. Specific provisions include all the accumulated provisions for losses on particular impaired loans required to reduce the carrying value of those loans to their estimated realizable amount. In October 1998, OSFI provided guidance to all deposit-taking institutions on establishing general allowances for credit risk. The general allowance for credit risk includes provisions for future losses inherent in the portfolio that are not presently identifiable by management of the Bank on an account by account basis. The general allowance for credit risk is established by taking into consideration historical trends in the loss experience during economic cycles, the current portfolio profile, estimated losses for the current phase of the economic cycle and historical experience in the industry. In compliance with the guidance provided by OSFI at that time, any significant adjustment to the general allowance for credit risk, net of income taxes, was treated as a one-time charge to retained earnings, with no adjustment to opening retained earnings (Note 19).

Actual write-offs, net of recoveries, are deducted from the allowance for credit losses. The provision for credit losses in the Consolidated Statement of Income is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

e) Securities Purchased Under Resale Agreements

Securities purchased under resale agreements are secured loans as they represent a purchase of Government of Canada securities by the Bank effected with a simultaneous agreement to sell them back at a specified price on a future date, which is generally short term. Securities purchased under resale agreements are carried at cost. The difference between the cost of the purchase and the predetermined proceeds to be received on a resale agreement is recorded as loan interest income in the Consolidated Statement of Income.

f) Land, Buildings and Equipment

Land is carried at cost. Buildings, equipment and furniture, and leasehold improvements are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated primarily using the straight-line method over the estimated useful life of the asset as follows: buildings – 20 years, equipment and furniture – 3 to 5 years, and leasehold improvements – term of lease. Gains and losses on disposal are recorded in other income in the Consolidated Statement of Income in the year of disposal.

g) Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates prevailing at the balance sheet date. Revenues and expenses in foreign currencies are translated at the average exchange rates prevailing during the year. Realized and unrealized gains and losses on foreign currency positions are included in other income in the Consolidated Statement of Income.

h) Loan Fees

Loan fees, net of directly related costs, are amortized to interest income over the expected term of the loan when such fees are considered to be an integral part of the return earned on the particular loan. Loans are stated net of unamortized fees.

i) Income Taxes

The Bank follows the tax allocation method of accounting for income taxes whereby income taxes are based on transactions recognized for accounting purposes regardless of when they are recognized for tax purposes. The cumulative timing differences between tax calculated on this basis and taxes currently payable result in deferred income taxes which are recorded in other assets. Total income taxes include the provision for income taxes in the Consolidated Statement of Income and income taxes applicable to items charged or credited directly to retained earnings.

j) Derivative Financial Instruments

Interest rate, foreign exchange and equity contracts such as futures, options and swaps are entered into for asset liability management purposes. These contracts are designated and function as hedges and are accounted for on the accrual basis. Net accrued interest receivable/payable and deferred gains/losses are recorded in other assets or other liabilities, as appropriate. Interest income/expense and gains/losses are recognized as interest income or interest expense, as appropriate, over the hedged period.

k) Earnings Per Common Share

Basic earnings per common share is calculated based on the average number of common shares outstanding during the year. Fully diluted earnings per share includes the effect of all potential dilutive factors on earnings per common share.

l) Stock Option Plans

The Bank has stock option plans which are described in Note 9. No expense is recognized for these plans when the stock options are issued to the employees. Any consideration paid by employees on exercise of stock options is credited to share capital.

2 SECURITIES

The analysis of securities at carrying value, by type and maturity is as follows:

	Maturities Within 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	2000 Total Book Value	1999 Total Book Value
Securities Issued or Guaranteed by:						
Canada	$ 78,747	$ 20,599	$ 3,881	$ –	$ 103,227	$ 112,826
A province	60,923	15,769	21,228	–	97,920	52,079
Other Debt Securities						
Floating rate notes	–	–	–	1,000	1,000	1,000
Other debt	15,468	4,486	–	–	19,954	29,969
Equity Securities	–	–	–	9,315 (2)	9,315	9,318
Total (1)	$ 155,138	$ 40,854	$ 25,109	$ 10,315	$ 231,416	$ 205,192

(1) All securities are held in the investment account.
(2) These securities have no specific maturity.

The analysis of unrealized gains and losses on investment securities is as follows:

	2000 Book Value	2000 Unrealized Gains	2000 Unrealized Losses	2000 Estimated Market Value	1999 Book Value	1999 Unrealized Gains	1999 Unrealized Losses	1999 Estimated Market Value
Securities Issued or Guaranteed by:								
Canada	$ 103,227	$ 5	$ 69	$ 103,163	$ 112,826	$ 1	$ 207	$ 112,620
A province	97,920	38	189	97,769	52,079	8	399	51,688
Other Debt Securities								
Floating rate notes	1,000	–	–	1,000	1,000	–	–	1,000
Other debt	19,954	5	27	19,932	29,969	–	1	29,968
Equity Securities	9,315	72	731	8,656	9,318	106	410	9,014
Total	$ 231,416	$ 120	$ 1,016	$ 230,520	$ 205,192	$ 115	$ 1,017	$ 204,290

3 IMPAIRED LOANS

Impaired loans and the related allowance for credit losses are as follows:

	Gross Amount	Specific Provisions	2000 Carrying Amount	1999 Carrying Amount
Consumer and personal	$ 2,683	$ 310	$ 2,373	$ 2,861
Real estate	15,218	1,764	13,454	20,336
Industrial	7,495	2,278	5,217	6,735
Other	5,701	1,595	4,106	3,085
	31,097	5,947	25,150	33,017
General allowance for credit risk (1)	–	20,915	(20,915)	(20,848)
Total (2)	$ 31,097	$ 26,862	$ 4,235	$ 12,169

(1) The general allowance for credit risk is available for the total loan portfolio.
(2) Impaired loans include foreclosed real estate assets held for sale with a gross carrying value of $1,561 (1999 - $6,866) and a related specific allowance of $171 (1999 - $1,606).

At October 31, 2000 other past due loans totalled $1,828 (1999 - $249). Other past due loans are loans where payment of interest or principal is contractually 90 - 180 days in arrears but are not classified as impaired because they are well secured and considered fully collectible.

During the year interest recognized as income on impaired loans totalled $714 (1999 - $579).

4 ALLOWANCE FOR CREDIT LOSSES

The following table shows the changes in the allowance for credit losses during the year.

	2000			1999		
	Specific Provisions	General Allowance for Credit Risk	Total	Specific Provisions	General Allowance for Credit Risk	Total
Balance at beginning of year	$ 5,172	$ 20,848	$ 26,020	$ 3,517	$ 9,325	$ 12,842
Provision for credit losses	5,033	67	5,100	3,921	(171)	3,750
Write-offs	(4,480)	–	(4,480)	(2,314)	–	(2,314)
Recoveries	222	–	222	48	–	48
Adjustment to general allowance for credit risk (1)	–	–	–	–	11,694	11,694
Balance at end of year	$ 5,947	$ 20,915	$ 26,862	$ 5,172	$ 20,848	$ 26,020

(1) In 1999, in accordance with the guidance provided by OSFI as described in Note 1(d), the Bank increased its general allowance for credit risk by $11,694. Accordingly, retained earnings was reduced by $6,509, representing the increase in the general allowance, net of deferred income taxes of $5,185.

The Bank has virtually no loans booked outside of Canada and therefore has no country risk provisions.

5 LAND, BUILDINGS AND EQUIPMENT

	Cost	Accumulated Depreciation and Amortization	2000 Net Book Value	1999 Net Book Value
Land	$ 2,753	$ –	$ 2,753	$ 2,753
Buildings	3,133	1,758	1,375	1,528
Equipment and furniture	14,327	7,676	6,651	5,183
Leasehold improvements	6,713	2,742	3,971	3,754
Total	$ 26,926	$ 12,176	$ 14,750	$ 13,218

Depreciation and amortization for the year amounted to $2,752 (1999 - $2,680).

6 OTHER ASSETS

	2000	1999
Accrued interest receivable	$ 13,256	$ 10,822
Deferred income tax asset (Note 10)	10,496	12,335
Prepaid expenses	5,839	5,817
Deferred financing costs (1)	1,211	1,933
Goodwill and other identifiable intangibles (2)	273	731
Other	3,335	4,076
Due from clients and brokers	–	14,670
Total	$ 34,410	$ 50,384

(1) Amortization of deferred financing costs included in other expenses in the Consolidated Statement of Income is $163 (1999 - $250) and share issue expenses charged to retained earnings in the Consolidated Statement of Shareholders' Equity are $559 (1999 - $0).
(2) Amortization of goodwill and other identifiable intangibles included in other expenses in the Consolidated Statement of Income is $458 (1999 - $493).

7 OTHER LIABILITIES

	2000	1999
Accrued interest payable	$ 57,617	$ 47,430
Accounts payable	5,336	4,961
Deferred revenue	601	628
Other	1,919	977
Due to clients and brokers	–	29,070
Total	$ 65,473	$ 83,066

8 SUBORDINATED DEBENTURES

Each of the following qualifies as a bank debenture under the Bank Act and is subordinate in right of payment to all deposit liabilities. All redemptions are subject to the approval of OSFI. The convertible debentures are financial instruments which have both debt and equity components. The recommendation issued by the Canadian Institute of Chartered Accountants to account for these components separately was considered but the value assignable to the conversion option at the date of issue was deemed to be immaterial in each case.

	Interest Rate	Maturity Date	2000	1999
Conventional (1)				
The Province of Alberta	6.660%	March 31, 2007	$ 5,000	$ 5,000
CIC Industrial Interests Inc. (an agency of the Province of Saskatchewan)	6.590%	June 30, 2007	3,126	3,126
CLIC Investments (Canada) Inc.	6.415%	July 31, 2007	5,000	5,000
			13,126	13,126
Convertible				
5.50% convertible debentures (2)	5.500%	March 31, 2008	50,000	50,000
Crown Life Insurance Company (3)	5.700%	July 31, 2009	4,000	4,000
6.75% convertible debentures (4)	6.750%	April 15, 2006	–	11,565
			54,000	65,565
Total			$ 67,126	$ 78,691

(1) Each of the conventional debentures has a ten year term with a fixed interest rate for the first five years. Thereafter, if not redeemed by the Bank, interest will be payable at a rate equal to the Canadian Dollar CDOR 90 day Bankers Acceptance Rate plus 1%.

(2) These debentures are convertible into common shares at the option of the holder at any time prior to maturity, or the date specified for conversion by the Bank, whichever is earlier, at a conversion price of $30.50 per share (1,639,344 shares). At any time after March 31, 2003 the debentures are convertible by the Bank.

(3) On July 6, 1994 the Bank issued a $4,000 subordinated debenture to Crown Life Insurance Company. The debenture was convertible into common shares of the Bank at the option of the holder, at a conversion price of $11.00 per share. On July 28, 1999 the Bank completed negotiations with the holder for the redemption of the debenture and the related conversion option for aggregate consideration of $7,091 based upon the current market value of the underlying common shares. The excess of the total consideration paid over the face value of the debenture was attributed to the conversion option and charged to retained earnings. There was no income tax effect.
On July 28, 1999 the Bank issued a subordinated debenture to Crown Life Insurance Company for $4,000. This debenture is convertible into common shares at the option of the holder at any time prior to maturity. The Bank may redeem the debenture after July 31, 2004. The number of shares issued at conversion will be determined based on a $25.00 per share conversion price (160,000 shares).

(4) On October 29, 1999 the Bank provided notice of its intention to convert all of the outstanding 6.75% convertible debentures to common shares on December 1, 1999. As a result of the notice the remaining $11,565 (1999 - $8,400) of the original $20,000 issued were converted by debentureholders on November 30, 1999 at a conversion price of $12.50 per share.

9 CAPITAL STOCK

Authorized:

An unlimited number of common shares without nominal or par value
33,964,324 Class A shares without nominal or par value
25,000,000 First Preferred shares without nominal or par value, issuable in series

Issued and fully paid:

	2000		1999	
	Number of Shares	Amount	Number of Shares	Amount
Common Shares				
Outstanding at beginning of year	10,172,196	$ 98,484	9,441,519	$ 89,595
Issued on conversion of debentures and exercise of options (1)	1,044,226	12,858	740,977	9,069
Shares purchased for cancellation	–	–	(10,300)	(180)
Outstanding at End of Year	11,216,422	$ 111,342	10,172,196	$ 98,484

(1) In 2000, $11,565 (1999 - $8,400) of the 6.75% debentures were converted into 925,200 (1999 - 672,000) shares and 119,026 (1999 - 68,977) options were exercised, at a weighted average exercise price of $10.86 (1999 - $9.70).

9 CAPITAL STOCK – Continued

The Bank has subordinated debentures which are convertible to common shares of the Bank as more fully described in Note 8. On November 30, 1999 the debenture holders converted all of the outstanding 6.75% convertible debentures, which totalled $11,565, to common shares resulting in the issuance of 925,200 common shares and a charge to retained earnings of $383 for share issue expenses, net of deferred income taxes.

The Bank also has authorized 1,107,805 common shares (1999 - 1,226,831) for issuance under option plans. Of the amount authorized, options exercisable into 1,039,870 shares are issued and outstanding (1999 - 1,177,096) and all expire within ten years of date of grant. The options are exercisable at a fixed price equal to the average of the market price on the day of and the four days preceding the grant. Outstanding options have exercise prices ranging from $8.73 to $20.44. Their weighted average remaining contractual life is 4.9 years and they expire on dates ranging from June 2001 to December 2007. The details of and changes in the issued and outstanding options follow:

	2000		1999	
Options	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance at beginning of year	1,177,096	$ 13.96	1,101,723	$ 13.02
Granted	19,000	19.72	158,050	18.83
Exercised	(119,026)	10.86	(68,977)	9.70
Forfeited	(37,200)	17.62	(13,700)	16.29
Balance at end of year	1,039,870	$ 14.28	1,177,096	$ 13.96
Exercisable at end of year	427,581	$ 13.45	279,105	$ 12.60

10 INCOME TAXES

The provision for income taxes consists of the following:

	2000	1999
Current	$ 5,368	$ 3,260
Deferred	73	256
Total	$ 5,441	$ 3,516

A reconciliation of the Bank's statutory tax rates and income tax that would be payable at these rates to the effective income tax rates and provision for income taxes that is reported in the Consolidated Statement of Income is as follows:

	2000		1999	
Combined Canadian federal and provincial income taxes and statutory tax rate	$ 16,017	45.2 %	$ 11,874	45.2%
(Decrease) increase resulting from:				
Utilization of previously unclaimed deductions	(15,303)	(43.2)	(10,750)	(40.9)
Amortization of deferred income tax asset	4,156	11.7	2,708	10.3
Large corporations tax	604	1.7	552	2.1
Utilization of loss carryforward	–	–	(430)	(1.6)
Other	(33)	0.0	(438)	(1.7)
Provision for income taxes and effective tax rate	$ 5,441	15.4 %	$ 3,516	13.4%

The deferred income tax asset, included in other assets, primarily represents the net unamortized balance of the acquired unclaimed deductions plus accumulated timing differences relating to claiming deductions for income tax purposes on a basis different from accounting and relate mainly to the provision for credit losses. The Bank has reasonable assurance that its net deferred income tax asset will be realized through future operations and reversals of timing differences.

At October 31, 2000, the Bank has approximately $14,763 (1999 - $44,733) of unclaimed deductions which are available to reduce future years' income for tax purposes. In addition, $6,916 (1999 - $6,966) of capital losses are available to apply against future capital gains and have no expiry date. The tax benefit of these unclaimed deductions and losses has not been recognized in income.

11 CONTINGENT LIABILITIES AND COMMITMENTS

a) Off-Balance Sheet Instruments

In the normal course of business, the Bank enters into various commitments and has contingent liabilities which are not reflected in the Consolidated Balance Sheet. These items are reported below and are expressed in terms of the contractual amount of the related commitment.

	2000	1999
Credit Instruments		
Guarantees and standby letters of credit	$ 42,489	$ 27,479
Commitments to extend credit	442,667	366,229
Total	$ 485,156	$ 393,708

Guarantees and standby letters of credit are issued on behalf of clients to third party beneficiaries as part of normal business operations. In the event of a call on any of these instruments, the Bank has recourse against its client. Issuance of guarantees and standby letters of credit is subject to the same credit assessment, approval, monitoring and control procedures as the extension of direct loans. Losses, if any, resulting from these transactions are not expected to be material.

Commitments to extend credit to customers also arise in the normal course of business and include recently authorized credit facilities not yet drawn down or credit facilities available on a revolving basis. In the majority of instances, availability of undrawn commercial commitments is subject to the borrower meeting specified financial tests or other covenants regarding completion or satisfaction of certain conditions precedent. It is also usual practice to include the right to review and withhold funding in the event of a material adverse change in the financial condition of the borrower. Given that undrawn credit authorizations arise out of approvals granted through the normal credit assessment process, such commitments bear virtually the same credit risk as fully advanced loan assets. From a liquidity perspective, undrawn credit authorizations will be funded over time with draws in many cases extending over a period of months. In some instances authorizations are never advanced or may be reduced because of changing requirements. The balance of commitments to extend credit shown in the table above does not account for principal drawdowns or paybacks that occur in the normal course of operations. Revolving credit authorizations are subject to repayment which on a pooled basis also decreases liquidity risk.

b) Lease Commitments

The Bank has obligations under long-term non-cancellable leases for the rental of premises and office equipment. Minimum future lease commitments for each of the five succeeding years and thereafter are as follows:

2001	$ 3,988
2002	4,078
2003	4,063
2004	3,777
2005	3,345
2006 and thereafter	12,078
Total	$ 31,329

12 TRUST ASSETS UNDER ADMINISTRATION

Trust assets under administration of $741,181 (1999 - $559,978) represent assets held for personal and corporate clients, administered by a subsidiary, and are kept separate from the subsidiary's own assets. Trust assets under administration are not reflected in the Consolidated Balance Sheet.

13 RELATED PARTY TRANSACTIONS

The Bank makes loans, primarily residential mortgages, to its officers and employees at various preferred rates and terms. The total amounts outstanding for these type of loans are $17,577 (1999 - $17,429).

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value represents the estimated consideration that would be agreed upon in a current transaction between knowledgeable, willing parties who are under no compulsion to act. The best evidence of fair value is a quoted market price. However, most of the Bank's financial instruments lack an available trading market as they are not typically exchanged. Therefore, these instruments have been valued assuming they will not be sold, using present value or other suitable techniques and are not necessarily representative of the amounts realizable in an immediate settlement of the instrument.

Changes in interest rates are the main cause of changes in the fair value of the Bank's financial instruments. The carrying value of the majority of the financial instruments is not adjusted to reflect increases or decreases in fair value due to interest rate changes as the Bank's intention is to realize their value over time by holding them to maturity. The carrying value of financial instruments held for trading purposes would be continually adjusted to reflect fair value. At October 31, 2000 and 1999 there were no financial instruments held for trading purposes.

The table below sets out the fair values of on-balance sheet financial instruments and derivative instruments using the valuation methods and assumptions referred to below the table.

	2000			1999		
	Book Value	Fair Value	Fair Value Over (Under) Book Value	Book Value	Fair Value	Fair Value Over (Under) Book Value
Assets						
Cash resources	$ 214,935	$ 214,935	$ –	$ 169,990	$ 169,990	$ –
Securities (Note 2)	231,416	230,520	(896)	205,192	204,290	(902)
Loans	2,560,092	2,545,864	(14,228)	2,253,598	2,232,876	(20,722)
Other assets (1)	23,720	23,720	–	37,601	37,601	–
Liabilities						
Deposits	2,727,809	2,732,003	4,194	2,371,075	2,353,937	(17,138)
Other liabilities	65,473	65,473	–	83,066	83,066	–
Subordinated debentures	67,126	66,620	(506)	78,691	77,548	(1,143)
Off-Balance Sheet Derivative Financial Instruments						
Net asset (Note 15)			$ 455			$ (569)

The table does not include assets and liabilities that are not considered financial instruments, such as land, buildings and equipment.

(1) Other assets exclude goodwill and deferred income tax assets which are not financial instruments.

(2) For further commentary on interest rates associated with financial assets and liabilities, including off-balance sheet instruments, refer to the Market Risk section of Management's Analysis of Operations and Financial Condition which includes the asset liability gap position and effective interest rates.

The methods and assumptions used to estimate the fair values of on-balance sheet financial instruments are as follows:

- cash resources, other assets and other liabilities are assumed to approximate their carrying values, due to their short-term nature;
- securities are assumed to be equal to the estimated market value of securities provided in Note 2. These values are based on quoted market prices, if available. Where a quoted market price is not readily available, other valuation techniques are used to estimate fair value;
- loans reflect changes in the general level of interest rates which have occurred since the loans were originated and are net of the allowance for credit losses. For floating rate loans, fair value is assumed to be equal to book value as the interest rates on these loans automatically reprice to market. For all other loans, fair value is estimated by discounting the expected future cash flows of these loans at current market rates for loans with similar terms and risks;
- deposits with no stated maturity are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits are determined by discounting the contractual cash flows at current market rates for deposits of similar original terms; and
- the fair values of subordinated debentures and liabilities of subsidiaries, other than deposits included in other liabilities are determined by reference to current market prices for debt with similar terms and risks.

Fair values are based on management's best estimates based on market conditions and pricing policies at a certain point in time. The estimates are subjective and involve particular assumptions and matters of judgement and as such may not be reflective of future fair values.

15 DERIVATIVE FINANCIAL INSTRUMENTS

The Bank enters into derivative financial instruments for risk management purposes.

Interest rate swaps and interest rate floors (or caps) are used as hedging devices to control interest rate risk. The Bank only enters into these interest rate derivative instruments for its own account and does not act as an intermediary in this market. The credit risk is limited to the amount of any adverse change in interest rates applied on the notional contract amount should the counterparty default. Equity contracts are used to offset the return paid to depositors on certain deposit products where the return is linked to a stock index. The credit risk is limited to the average return on an equity index applied on the notional contract amount should the counterparty default. The principal amounts are not exchanged and hence are not at risk. Approved counterparties and maximum notional limits are established and monitored by the Asset Liability Committee of the Bank.

At the present time it is policy to undertake foreign exchange transactions only for the purposes of meeting needs of clients and of day to day business. Foreign exchange markets are not speculated in by taking a trading position in currencies. Maximum exposure limits are established and monitored by the Asset Liability Committee and are defined by allowable unhedged amounts. The position is managed within the allowable target range by spot and forward transactions or other hedging techniques. Exposure to foreign exchange risk is not material to the Bank's overall position.

The following table summarizes the off-balance sheet financial instrument portfolio and the related credit risk. Notional amounts represent the amount to which a rate or price is applied in order to calculate the exchange of cash flows. The notional amounts are not recorded on the Consolidated Balance Sheet. They represent the volume of outstanding transactions and do not represent the potential gain or loss associated with the market risk or credit risk of such instruments. The replacement cost represents the cost of replacing, at current market rates, all contracts with a positive fair value. The future credit exposure represents the potential for future changes in value and is based on a formula prescribed by OSFI. The credit risk equivalent is the sum of the future credit exposure and the replacement cost. The risk-weighted balance represents the credit risk equivalent weighted according to the credit worthiness of the counterparty as prescribed by OSFI.

	2000					1999				
	Notional Amount	Replacement Cost	Future Credit Exposure	Credit Risk Equivalent	Risk-weighted Balance	Notional Amount	Replacement Cost	Future Credit Exposure	Credit Risk Equivalent	Risk-weighted Balance
Interest Rate Contracts										
Interest rate swaps	$ 269,000	$ 359	$ 320	$ 679	$ 136	$ 269,000	$ 227	$ 170	$ 397	$ 84
Equity Contracts	3,535	538	283	821	164	2,200	17	176	193	35
Total	$ 272,535	$ 897	$ 603	$ 1,500	$ 300	$ 271,200	$ 244	$ 346	$ 590	$ 119

The following table shows the off-balance sheet financial instruments split between those contracts that have a positive fair value (favourable contracts) and those that have a negative fair value (unfavourable contracts).

	2000				1999			
	Favourable Contracts (Assets)		Unfavourable Contracts (Liabilities)		Favourable Contracts (Assets)		Unfavourable Contracts (Liabilities)	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Interest Rate Contracts								
Interest rate swaps	$ 170,000	$ 359	$ 99,000	$ 440	$ 155,000	$ 227	$ 114,000	$ 735
Equity Contracts	3,410	538	125	2	1,200	17	1,000	78
Total	$ 173,410	$ 897	$ 99,125	$ 442	$ 156,200	$ 244	$ 115,000	$ 813

The aggregate contractual or notional amount of the off-balance sheet financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus, the aggregate fair values of these financial assets and liabilities can fluctuate significantly from time to time. The average fair values of the off-balance sheet financial instruments on hand during the year are set out in the following table.

	2000	1999
Favourable off-balance sheet financial instruments (assets)	$ 842	$ 299
Unfavourable off-balance sheet financial instruments (liabilities)	$ 748	$ 338

15 DERIVATIVE FINANCIAL INSTRUMENTS – Continued

The following table summarizes maturities of off-balance sheet financial instruments and weighted average interest rates paid and received on interest rate contracts.

	2000				1999			
	Maturity				Maturity			
	1 year or less		Over 1 to 5 years		1 year or less		Over 1 to 5 years	
	Notional Amount	Contractual Interest Rate	Notional Amount	Contractual Interest Rate	Notional Amount	Contractual Interest Rate	Notional Amount	Contractual Interest Rate
Interest Rate Contracts								
Interest rate swaps – receive fixed amounts [1]	$ 205,000	6.02 %	$ 64,000	5.90 %	$ 230,000	5.27 %	$ 39,000	5.67 %
Equity Contracts [1] [2]	–		3,535		–		2,200	
Total	$ 205,000		$ 67,535		$ 230,000		$ 41,200	

(1) The Bank pays (floating) interest amounts based on the one month (30 day) Canadian bankers' acceptance rate.
(2) The contractual interest rate is not meaningful for equity contracts. The Bank receives amounts based on the increase in an equity index.

16 RISK MANAGEMENT

As part of the Bank's risk management practices, the risks that are significant to our business are identified, monitored and controlled. These risks include credit risk, liquidity risk, market risk, and operational risk. Descriptions of the nature of these risks and how they are managed is provided in the commentary on pages 36 to 45 of Management's Analysis of Operations and Financial Condition.

Information on specific measures of risk included in the consolidated financial statements is included in these notes for the allowance for credit losses, derivative financial instruments and fair value of financial instruments. Additional information on interest rate sensitivity and the effective interest rates on financial instruments is provided on pages 42 to 45 of Management's Analysis of Operations and Financial Condition.

17 DISCONTINUED OPERATIONS

On December 21, 1999 the Bank announced that it would sell its brokerage subsidiary, Canadian Western Capital Limited ("CWC"), to Goepel McDermid Inc. of Vancouver. The sale closed February 16, 2000 for cash proceeds of $1.9 million and was reflected in the Bank's financial statements for the quarter ended January 31, 2000.

An after tax loss of $3,045 was charged to discontinued operations in the first quarter. For reporting purposes the results of operations of CWC and the loss on disposal are disclosed separately from continuing operations and the comparative balances have been restated. The results of discontinued operations are as follows:

	2000	1999
Operating loss	$ 1,071	$ 2,901
Estimated loss on disposal net of income taxes of $2,074	1,974	–
Total	$ 3,045	$ 2,901

Selected information regarding discontinued operations is as follows:

	2000	1999
Underwriting fees and commissions on security transactions	$ 1,821	$ 6,788
Cash resources and securities	–	14,601
Other assets	–	16,911
Other liabilities	–	30,707

18 SEGMENTED INFORMATION

The Bank operates principally in personal and commercial banking in Canada. Previously the Bank's financial results were reported on the basis of two industry segments but the operations of the subsidiary offering wealth management services were discontinued in 2000 (Note 17). Personal and commercial banking includes the operations of the Bank and its trust subsidiary which provides a wide range of banking and trust services to retail and personal clients and small to medium-size commercial business clients primarily in western Canada.

19 DIFFERENCE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements of the Bank are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), other than the accounting for the general allowance for credit risk at October 31, 1999 which is in accordance with the accounting requirements of OSFI. In fiscal 1999 the Bank increased its general allowance for credit risk. In accordance with the guidance provided by OSFI, this one-time adjustment was charged to retained earnings. The adjustment does not comply with GAAP. However, had the Bank not departed from GAAP to conform to the guidance provided by OSFI in 1999, loans would have increased by $11,694, deferred income taxes included in "Other assets" would have declined by $5,185 and retained earnings would have increased by $6,509. There was no other impact on the consolidated financial statements of the Bank.

20 SUBSIDIARIES

Canadian Western Bank Subsidiaries

(annexed in accordance with subsection 308 (3) of the Bank Act)

October 31, 2000

	Address of Head Office	Carrying Value of Voting Shares Owned by the Bank (1)	Percentage of Issued and Outstanding Voting Shares Owned by the Bank
Canadian Western Trust Company	666 Burrard Street Vancouver, British Columbia	$ 19,213	100%
CWB Canadian Western Financial Ltd.	10303 Jasper Avenue Edmonton, Alberta	$ –	100%

(1) The carrying value of voting shares is stated at the Bank's equity in the investments.

21 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

Corporate *Governance*

Introduction

The Board of Directors and management of the Bank are committed to govern and manage the Bank's operations effectively and efficiently, within its regulatory environment.

The Corporate Governance & Human Resources Committee plays a key role in developing the Bank's approach to governance issues.

The Corporate Governance & Human Resources Committee (a subcommittee of the Board) provides direction to the Board, monitors compliance and deals with governance issues in a manner that will enhance corporate performance.

The Board *and Board Committees*

The Bank is a federally regulated Schedule I bank. Pursuant to the current Bank Act (the "Act"), no one shareholder, or shareholders acting in concert, can own more than ten percent of any class of shares of a Schedule I bank. Therefore, the Bank has no shareholders holding more than ten percent of common shares. Legislative changes were tabled in June 2000 which would allow the elimination of the current ownership restriction for small banks such as our Bank. However, the status of the legislation is uncertain at this time as it was not passed prior to the November 2000 federal election.

The Board is currently comprised of twelve members. The number of directors reflects the desire to have the members represent the geographical jurisdictions in which the Bank operates and the need to fill the memberships of the two required committees, the Audit and Conduct Review Committees, and the other board committees which are the Loans Committee and the Corporate Governance & Human Resources Committee. The Board has reviewed the status of each of its directors and determined if they are "affiliated" (as defined by the affiliation rules set forth in the Act) or "unrelated", as defined in the TSE guidelines on corporate governance. As a result of this review, the Board has determined that two of the directors are affiliated (the President and CEO and an Executive Vice President); they are also the only inside directors. All other directors are "unrelated".

At the time of appointment to the Board, at least 75 percent of the board members must be resident Canadians and no more than four members may be employees of the Bank. The Chairman is an independent director and is appointed annually by the members of the Board. Responsibilities not delegated to senior management or to a committee of the Board remain those of the full Board. The Board expects all significant risks and internal controls to be identified and reported upon by senior management to the Board and/or its committees.

The Board holds four regular meetings each year, as well as additional meetings as required. Most committees meet quarterly and all meet annually at a minimum. A meeting agenda matrix is issued to ensure meetings of the Board and its committees are efficient and complete.

The Board of Directors as a whole has expressly assumed responsibility for developing the Bank's approach to governance issues although the

Corporate Governance & Human Resources Committee plays a key role by recommending and reporting on governance issues to the Board. In addition, certain governance issues have been delegated to other committees of the Board.

The Act contains several sections dealing with the governance of a bank through its board of directors. These sections prescribe matters such as limitations on the number of directors who can be affiliated or non-resident, certain powers that must be transacted by the full Board, and requirements to establish both an audit committee and a conduct review committee. The Act also prescribes certain minimum benchmarks for board and committee membership, quorums and the transaction of business by the Board. The three encompassing duties in the Act that form the basis for the Board's mandate are:

- to manage or supervise the management of the business and affairs of the Bank;
- to act honestly and in good faith with a view to the best interests of the Bank and exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances; and
- to comply with the Act, the regulations, the Bank's incorporating instrument and its by-laws.

The mandate of the Board also includes references to compliance with the Canada Deposit Insurance Corporation's ("CDIC") Standards of Sound Business and Financial Practices. CDIC is in the process of modernizing the standards in consultation with Canadian Bankers Association. Generally speaking, the current practices and related standards cover all major risk areas of a bank and call for the Board at least annually to approve the policies and review the management programs associated with:

- interest rate risk management;
- securities portfolio management;
- liquidity and funding management;
- foreign exchange risk management;
- capital management;
- internal controls;
- real estate appraisals; and
- credit risk management.

The areas of real estate appraisals and credit risk management have been delegated to the Loans Committee of the Board.

The mandate of the Board also specifically includes other matters which are not necessarily stated in the Act or in the CDIC standards and they are summarized as follows:

- approve the annual statement and specified returns, prior to release to the public or submission to OSFI;
- review and approve the annual strategic business plan and accompanying capital plan and financial operating budget, including capital expenditures;
- declare dividends;
- outline the content and frequency of management reports on financial operations;
- review and ratify the employment, appointment, grade levels and compensation of the top five executive employees and approve all senior officer appointments;
- review succession plans;
- review any recommendations from regulators or external auditors respecting their assessment of the effectiveness of the internal controls that come to their attention in the conduct of their work;
- ensure an independent audit/inspection function is in place to monitor the effectiveness of organizational and procedural controls;
- review and accept reports from the Audit, Conduct Review and Corporate Governance & Human Resources Committees; and
- approve loan write-offs.

The Board's mandate

complies with all requirements of the Bank Act, CDIC standards and TSE guidelines.

Audit *Committee*

Audit Committee
Jordan L. Golding
Robert A. Manning, *Chair*
Gerald A.B. McGavin
Alan M. Rowe

This committee is comprised of four outside directors and its mandate is summarized as follows:

- review the annual statement and report thereon to the directors before approval is given;
- review such returns as required by OSFI and report thereon to the directors before approval is given;
- require management to implement and maintain appropriate internal control procedures. Review, evaluate and approve those procedures;
- review such investments and transactions of the Bank, that could adversely affect its well-being, as are brought to the committee's attention by the auditors, or an officer of the Bank or other committee of the Board;
- review the annual statement and any specified return or other transactions with the Bank's auditors, ensuring any items of concern are duly considered;
- annually review the mandate of the internal audit department. Discuss the adequacy/effectiveness of the internal control procedures with the Vice President and Chief Inspector and review any significant findings with senior management;
- review the interim unaudited statements, as well as other related public information, before public disclosure;
- review a report from the Loans Committee of the Board, including recommendations on the adequacy of loan loss provisions and write-offs;
- review the CDIC Standards Assessment and Reporting Program (SARP) annually and report thereon to the directors before approval is given;
- review the terms of the external auditors' engagement, their level of compensation, the audit plan, any proposed changes in accounting policies, their presentation and input concerning significant risks and key estimates and judgements of management; and
- meet regularly with the internal and external auditors without management present.

Conduct Review *Committee*

Conduct Review Committee
Charles R. Allard
Albrecht W.A. Bellstedt, *Chair*
Allan W. Jackson
Arnold J. Shell

This committee is comprised of four outside directors and its mandate is summarized as follows:

- establish procedures to ensure disclosure of transactions with specified related parties of the Bank and, further, to review any such transactions to ensure compliance with the Act, either approving or declining the transactions, as required;
- review and approve internal policies for credit arrangements and financial services available to employees of the Bank under the regulations concerning officers and associated parties;
- monitor aggregate transactions of the Bank with directors as well as officers and their interests to ensure continued compliance with the Act with excesses brought to the Board for consideration;
- review the conduct policy on an annual basis to ensure relevance and completeness in regard to legislative requirements;
- monitor procedures for conflicts of interest, confidential information, disclosure of information and handling of customer complaints, and be satisfied that the procedures are being adhered to;
- ensure every employee, officer and Board member agrees to comply, in writing, with annual acknowledgement, with the Bank's conduct policy; and
- after each meeting provide a report to the directors on all transactions and other matters reviewed by the committee.

Corporate Governance *& Human Resources Committee*

This committee is comprised of five outside directors and its mandate is summarized as follows:

- recommend to the Board appropriate structure and process required to address governance issues and maintain compliance with all corporate governance guidelines;
- review and monitor compliance with corporate governance guidelines and follow any issues noted by the members or as reported to them by management or other directors from time to time;
- no less than annually, report to the Board on corporate governance issues and any instances of non-compliance, together with appropriate recommendations;
- hire appropriate consultants, or request management to perform studies and to furnish other information as required; to review such information and take such actions based thereon as appropriate;
- review and recommend to the Board the employment and appointment of the top five executive employees, to establish their grade levels and compensation, as well as to determine promotions and to make changes in the level of compensation and grade of incumbent executive employees and officers;
- review the position descriptions for the top five executive employees, ensuring they rema in current and accurate and, further, to also ensure position descriptions are in place for all other executive officers;
- establish an executive compensation structure to compensate all levels of executive employees and, within such compensation structure as may at that time be in effect, to make adjustments and annual revisions as necessary;
- ensure an annual performance appraisal is completed for the President and CEO and that it is reviewed with him by the Chairman of the Board;
- establish, amend and, where appropriate, terminate:
  - programs and other personal benefits granted to executive employees;
  - incentive compensation plans and other bonus arrangements, to administer such plans and to make appropriate interpretations and determinations as required;
  - share incentive plans and similar arrangements involving the grant of share options, or other benefits to employees attendant upon the issuance of securities, and, in addition, to make grants of options under any share incentive plan and generally to administer such plans, subject to necessary regulatory and shareholder approval; and
  - annuity, pension, and retirement programs for executive employees;
- review the human resource succession plan as prepared by senior management for all officers and any other senior position considered critical to operations;
- seek and recommend individuals to be considered for Board membership, as required by the Board, and forward their recommendations with written rationale, compared against published terms of reference, to the Board for their consideration;
- review, monitor, and make recommendations regarding new director orientation and the ongoing development of existing Board members;
- evaluate, at least bi-annually, Board membership (including composition and size) and the involvement/performance of the membership with concerns recorded, and brought to the attention of the committee chair, who, in conjunction with the committee, determines if further action is required;
- review and recommend to the Board the fees and other benefits to be paid to directors; and
- make recommendations to the Board regarding revisions or additions to the Board of Directors Manual.

Corporate Governance & Human Resources Committee

Albrecht W.A. Bellstedt, *Chair*
Jack C. Donald
Allan W. Jackson
Robert A. Manning
Howard E. Pechet

Loans Committee
Charles R. Allard
Douglas R. Dalgetty
Jack C. Donald
Allan W. Jackson, *Chair*
Gerald A.B. McGavin
Howard E. Pechet
Larry M. Pollock
Arnold J. Shell
(Robert A. Manning, alternate)

Loans *Committee*

This committee is comprised of eight directors, six of whom are unrelated. The President and CEO and an Executive Vice President, who are affiliated, inside directors, are also members. Its mandate is summarized as follows:

- establish and approve a lending limit for the Bank and the President and CEO within the limits established by the Board and review such limits at least annually;
- review, approve and/or decline all credit applications for amounts in excess of delegated limits up to the limit established, not to exceed ten percent of regulatory capital;
- recommend for approval of the full Board, any loan proposals in excess of the Bank's limit;
- recommend for approval of the full Board loan proposals to directors, related entities and Bank subsidiaries;
- annually review and approve the credit risk management program and policies, including management's real estate appraisal policies and procedures, to ensure they are sound, prudent and in accordance with CDIC standards;
- review management's recommendations for loan loss provisions and loan write-offs and recommend acceptance to the Audit Committee for their presentation to the Board; and
- provide direction with respect to the identification criteria, procedure and action required on loans reported by management to be less than satisfactory.

Other Areas of Consideration

The Bank has not adopted a formalized process of orientation for new Board members although all directors are provided with a Directors' Manual, outlining key governance information and reference material. It is worthy of note that seven of the ten outside directors have served on the Board for eleven years or more. There is also a Board and member review and assessment program whereby every second year, directors complete a formal assessment of the operations and effectiveness of the Board and its committees. Every second year, directors may complete a formal assessment on individual directors' effectiveness. In the current year a formal assessment of the operations and effectiveness of the Board and its committees was undertaken and the results are currently being compiled.

In order to carry out its responsibilities the Board must have timely access to information which is available via discussions with the Bank's senior management and through a comprehensive information package sent out prior to each board meeting which includes the agenda, minutes of previous meetings and supporting documentation for specific agenda items. The Board has also put in place a policy providing for individual directors to engage outside advisors if the circumstances are warranted.

The Bank is also committed to ensuring quality and timely information is available to all shareholders. Inquiries and requests for information from shareholders and potential investors receive prompt attention from an appropriate officer. The President and CEO and other members of senior management also meet periodically with financial analysts and institutional investors.

The Bank has engaged an independent Ombudsman to receive complaints from banking clients who are unable to obtain satisfaction from the internal complaint handling process.

Conclusion

The Bank's corporate governance approach is in compliance with the TSE guidelines. It will continue to develop over time with the Corporate Governance & Human Resources Committee playing a key role in monitoring, developing and recommending to the Board on governance issues as warranted.

Executive *Officers*

CHAIRMAN
Jack C. Donald

OFFICE OF THE CHIEF EXECUTIVE OFFICER
Larry M. Pollock
President and Chief Executive Officer

Douglas R. Dalgetty
Executive Vice President

Allister J. McPherson
Executive Vice President

CREDIT RISK MANAGEMENT
Donald C. Kemp
Vice President

Chris H. Fowler
Senior Assistant Vice President

Wally N. Streit
Senior Assistant Vice President

Dennis M. Crough
Assistant Vice President

A. Wayne MacInnes
Assistant Vice President

Ken W. Stewart
Assistant Vice President

CORPORATE & STRATEGIC OPERATIONS
William J. Addington
Senior Vice President

Erwin Granson
Assistant Vice President,
Asset Management

Ed E. Rudzitis
Assistant Vice President,
Corporate Lending

TREASURY & OPERATIONS
Ricki L. Moffat
Senior Assistant Vice President,
Treasury and Agent
Administration

Michael Vos
Senior Assistant
Vice President, Systems

M. Wayne Bond
Assistant Vice President,
Corporate Administration

Roger J. Pogue
Assistant Vice President,
Operations

FINANCE
Tracey C. Ball, C.A.
Senior Vice President
and Chief Financial Officer

Diane M. Davies, C.A.
Senior Assistant Vice President
and Chief Accountant

Carolyn J. Graham, C.A.
Assistant Vice President

HUMAN RESOURCES
Uve Knaak
Senior Assistant Vice President

INTERNAL AUDIT
David R. Gillespie
Vice President
and Chief Inspector

Lars K. Christensen
Assistant Vice President

MARKETING & PRODUCT DEVELOPMENT
R. Graham J. Gilbert
Vice President

COMMERCIAL BANKING PRAIRIE REGION
S. Wayne Bamford
Vice President
and Regional Manager

Michael N. Halliwell
Senior Assistant Vice President
Main Branch, Calgary

Gus W. Itzek
Senior Assistant Vice President,
Energy Lending
Main Branch, Calgary

Robert H. Bean
Assistant Vice President
Winnipeg

Richard Brodeur
Assistant Vice President
Calgary Northeast

Doug A. Finnie
Assistant Vice President
Saskatoon

Ken R. MacDonald
Assistant Vice President
Regina

Donald J. Odell
Assistant Vice President
Red Deer

Dean F. Rhoden
Assistant Vice President
Saskatoon

Al Steingart
Assistant Vice President
Chinook Station, Calgary

COMMERCIAL BANKING NORTHERN ALBERTA REGION
Jack C. Wright
Vice President
and Regional Manager

William A. Book
Vice President
Main Branch, Edmonton

Ron S. Baker
Assistant Vice President
West Point, Edmonton

David M. Castell
Assistant Vice President
Main Branch, Edmonton

Wayne C. Dosman
Assistant Vice President,
Personal Banking
Main Branch, Edmonton

Gary R. Mitchell
Assistant Vice President
103rd Street, Edmonton

Jake G. Muntain
Assistant Vice President
103rd Street, Edmonton

Garnett J. Way
Assistant Vice President,
Real Estate Lending
Main Branch, Edmonton

Executive *Officers* *continued*

COMMERCIAL BANKING BRITISH COLUMBIA REGION

Rod W. Sorbo
Vice President
and Regional Manager

Serge Biln
Senior Assistant Vice President
Park Place, Vancouver

Robert G.P. Berzins
Assistant Vice President
Granville & 13th, Vancouver

Russ M. Burke
Assistant Vice President
Nanaimo

Ian G. Graham
Assistant Vice President
Kelowna

Gerald W. Laliberte
Assistant Vice President
Victoria

Craig Martin
Assistant Vice President
Langley

REAL ESTATE LENDING VANCOUVER

Raymond L. Young
Vice President

Robert E. Wigmore
Senior Assistant Vice President

W. Bruce Gibbard
Assistant Vice President

Jack B. Harms
Assistant Vice President

INDUSTRIAL LENDING AND LEASING

Donald C. Watson
Vice President

James O. Burke
Assistant Vice President
and District Manager
Foothills Branch, Calgary

Dean G. Cudmore
Assistant Vice President
Guildford, Surrey

James S. Kitchin
Assistant Vice President
Kelowna Industrial Centre

Keith C. MacLellan
Assistant Vice President
Grande Prairie

David B. Subject
Assistant Vice President
Nanaimo

John Van Boeyen
Assistant Vice President
Langley

CANADIAN WESTERN TRUST COMPANY – VANCOUVER

Adrian M. Baker
Vice President
and General Manager

Mario V. Furlan
Assistant Vice President,
Real Estate Lending

Patrick F. Rennison
Assistant Vice President,
Real Estate Lending

OMBUDSMAN

W. Paul Lefaivre

Board *of Directors*

CANADIAN WESTERN BANK & TRUST

Charles R. Allard[2,3]
President
Rosedale Meadows
Development Inc.
Edmonton, Alberta

Albrecht W. A. Bellstedt, Q.C.[3,4]
Executive Vice President,
Law and General Counsel
TransCanada Pipelines
Calgary, Alberta

Douglas R. Dalgetty[2]
Executive Vice President
Canadian Western Bank
Vancouver, British Columbia

Jack C. Donald[2,4]
President
Parkland Industries Ltd.
Red Deer, Alberta

Jordan L. Golding[1]
Corporate Director
and Consultant
Retired Partner
KPMG
Boston, Massachusetts, USA

Allan W. Jackson[2,3,4]
President
ARCI Ltd.
Calgary, Alberta

Robert A. Manning[1,2,4]
President
Cathton Holdings Ltd.
Edmonton, Alberta

Gerald A.B. McGavin, F.C.A., C.M.[1,2]
President
McGavin Properties Ltd.
Vancouver, British Columbia

Howard E. Pechet[2,4]
President
Mayfield Consulting Inc.
La Jolla, California, USA

Larry M. Pollock[2]
President and
Chief Executive Officer
Canadian Western Bank
Edmonton, Alberta

Alan M. Rowe, C.A.[1]
Senior Vice President,
Chief Financial Officer and
Corporate Secretary
Crown Life Insurance Company
Regina, Saskatchewan

Arnold J. Shell[2,3]
President
Arnold J. Shell Consulting Inc.
Calgary, Alberta

1 Audit Committee Member
2 Loans Committee Member
3 Conduct Review Committee Member
4 Corporate Governance & Human Resources Committee Member

DIRECTORS EMERITUS

John Goldberg
Arthur G. Hiller
Peter M.S. Longcroft
Dr. Maurice W. Nicholson
Alma M. McConnell
Eugene I. Pechet
Dr. Maurice M. Pechet
Fred Sparrow

Canadian Western Bank would like to thank Douglas R. Dalgetty for his years of dedicated service. Mr. Dalgetty will be retiring in March 2001 after fifteen years as Executive Vice President and eight years on the Board of Directors.

Shareholder *Information*

HEAD OFFICE

Suite 2300,
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Fax: (604) 685-9997
Website: www.cwt.ca

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Share Symbol: CWB
Convertible Debenture Symbol:
CWB.DB.A

TRANSFER AGENT AND REGISTRAR MAILING ADDRESS

Computershare Investor Services
(formerly Montreal Trust
Company of Canada)
Suite 970,
Canadian Western Bank Place
10303 Jasper Avenue
Edmonton, Alberta T5J 3N6
Telephone: (780) 448-7598
Fax: (780) 426-4032

CORPORATE SECRETARY

Charles R. Allard
Rosedale Meadows
Development Inc.
Edmonton, Alberta

INQUIRIES FROM SHAREHOLDERS

Any notification regarding change of address or change in registration of shares should be directed to the Transfer Agent. Any inquiries other than change of address or change in registration may be directed to the President and Chief Executive Officer.

ANNUAL MEETING

The annual meeting of the common shareholders of Canadian Western Bank will be held on March 8, 2001 at The Westin (Manitoba Room), 10135 - 100th Street, Edmonton, Alberta at 2:00 p.m. (MST).

INVESTOR RELATIONS

For further financial information call Jon W. Kieran at Hume, Kieran Inc. (416) 868-1079, or fax (416) 868-6198, or visit our website at www.cwbank.com/investor_info.

Banking *Offices*

Alberta

EDMONTON

Edmonton Main Branch
11350 Jasper Avenue
Edmonton, Alberta T5K 0L8
Telephone: (780) 424-4846
Branch Manager – Bill Book

103rd Street Branch
Canadian Western Bank Place
10303 Jasper Avenue
Edmonton, Alberta T5J 3N6
Telephone: (780) 423-8801
Branch Manager – Jake Muntain

Southside Branch
7933 - 104 Street
Edmonton, Alberta T6E 4C9
Telephone: (780) 433-4286
Branch Manager – Heinz Kleist

West Point Branch
17603 - 100 Avenue
Edmonton, Alberta T5S 2M1
Telephone: (780) 484-7407
Branch Manager – Ron Baker

RSP Administration/
Agent Processing Centre
Suite 2200, 10303 Jasper Avenue
Edmonton, Alberta T5J 3X6
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Branch Manager – Lina Langford

CALGARY

Calgary Main Branch
606 - 4th Street S.W.
Calgary, Alberta T2P 1T1
Telephone: (403) 262-8700
Branch Manager –
Michael Halliwell

Calgary Northeast Branch
2810 - 32nd Avenue N.E.
Calgary, Alberta T1Y 5J4
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Branch Manager –
Richard Brodeur

Chinook Station
6606 Macleod Trail S.W.
Calgary, Alberta T2H 0K6
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Branch Manager – Al Steingart

Foothills Branch
6127 Barlow Trail S.E.
Calgary, Alberta T2C 4W8
Telephone: (403) 269-9882
Branch Manager – Rick Ferris

CAMROSE
4895 - 50th Street
Camrose, Alberta T4V 1P6
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Branch Manager –
Kevin MacMillen

RED DEER
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Red Deer, Alberta T4N 3X1
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Branch Manager – Don Odell

LETHBRIDGE
744 - 4th Avenue South
Lethbridge, Alberta T1J 0N8
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Branch Manager –
Donald Grummett

GRANDE PRAIRIE INDUSTRIAL LENDING CENTRE
5th Floor, 214 Place
9909 - 102 Street
Grande Prairie, Alberta T8V 2V4
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Branch Manager –
Keith MacLellan

British Columbia

VANCOUVER

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Branch Manager – Rob Berzins

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Telephone: (604) 688-8711
Branch Manager – Serge Biln

RSP Administration/
Agent Processing Centre
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Toll free: 1-800-663-1000
Branch Manager –
Huguette Holmes

COURTENAY
470 Puntledge Road
Courtenay, B.C. V9N 3R1
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Branch Manager – Alan Dafoe

KELOWNA

Kelowna
1674 Bertram Street
Kelowna, B.C. V1Y 9G4
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Branch Manager – Ian Graham

Kelowna Industrial Centre
(Opening February 2001)
#101 - 1505 Harvey Avenue
Kelowna, B.C. V1Y 6G1
Telephone: (250) 860-0088
Branch Manager –
James Kitchin

LANGLEY
19915 - 64th Avenue
Langley, B.C. V2Y 1G9
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NANAIMO
6475 Metral Drive
Nanaimo, B.C. V9T 2L9
Telephone: (250) 390-0088
Branch Manager – Russ Burke

VICTORIA
1201 Douglas Street
Victoria, B.C. V8W 2E6
Telephone: (250) 383-1206
Branch Manager –
Gerry Laliberte

SURREY

Guildford Industrial Lending Centre
401, 15127 - 100 Avenue
Surrey, B.C. V3R 0N9
Telephone: (604) 583-7500
Branch Manager –
Dean Cudmore

Strawberry Hill Branch
(Opening March 2001)
7538 - 120 Street
Surrey, B.C. V3W 3N1
Telephone: (604) 591-1898
Branch Manager –
Bob Bonenfant

Saskatchewan

REGINA
1881 Scarth Street
Mccallum Hill Centre II
Regina, Saskatchewan S4P 4K9
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Branch Manager –
Ken Macdonald

SASKATOON
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Saskatoon, Saskatchewan S7K 1K9
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Acting Branch Manager –
Doug Finnie

YORKTON
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Yorkton, Saskatchewan S3N 3G7
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Branch Manager – Barb Apps

Manitoba

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Winnipeg, Manitoba R3C 0B1
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Canadian Western Trust

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WESTERN
BANK
Think Western

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