

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated January 30, 2014 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein or therein by reference may be obtained on request, without charge, from the Corporate Secretary of Canadian Western Bank, Canadian Western Bank Place, Suite 3000, 10303 Jasper Avenue, Edmonton, Alberta T5J 3X6, telephone: (780) 423-8888 and are also available electronically at www.sedar.com.

The non-cumulative first preferred shares to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the 1933 Act), except in certain transactions exempt from, or not subject to, the registration requirements of the 1933 Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States

Prospectus Supplement

(To the Short Form Base Shelf Prospectus Dated January 30, 2014)

New Issue

February 3, 2014



\$125,000,000

5,000,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares Series 5

This offering (the "**Offering**") of non-cumulative 5-year rate reset First Preferred Shares Series 5 (the "**Series 5 Preferred Shares**") of Canadian Western Bank (the "**Bank**") under this prospectus supplement (the "**Prospectus Supplement**") consists of 5,000,000 Series 5 Preferred Shares. The holders of Series 5 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the board of directors of the Bank (the "**Board of Directors**"), for the initial period commencing on the Closing Date (as defined herein) and ending on and including April 30, 2019 (the "**Initial Fixed Rate Period**"), payable quarterly on the last day of January, April, July and October in each year or if such day is not a business day, on the next business day, at an annual rate equal to \$1.100 per Series 5 Preferred Share. The initial dividend, if declared, will be payable on April 30, 2014 and will be \$0.2381 per Series 5 Preferred Share, based on the anticipated Closing Date of February 10, 2014. Thereafter, quarterly dividends will be at a rate of \$1.100 per Series 5 Preferred Share during the Initial Fixed Rate Period. Reference is made to "*Details of the Offering*".

For each 5-year period after the Initial Fixed Rate Period (each a "**Subsequent Fixed Rate Period**"), the holders of Series 5 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Bank on the 30th day prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined herein) on the date on which the Annual Fixed Dividend Rate is determined plus 2.76%. Reference is made to "*Details of the Offering*".

Option to Convert Into Series 6 Preferred Shares

The holders of Series 5 Preferred Shares will have the right, at their option, to convert any or all of their Series 5 Preferred Shares into an equal number of non-cumulative floating rate First Preferred Shares Series 6 of the Bank (the “**Series 6 Preferred Shares**”), subject to certain conditions, on April 30, 2019 and on April 30th every five years thereafter. The holders of Series 6 Preferred Shares will be entitled to receive floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”), in the amount per Series 6 Preferred Share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined herein) by \$25.00. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.76% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. Reference is made to “*Details of the Offering*”.

Upon the occurrence of a Trigger Event (as defined herein), each Series 5 Preferred Share and, if issued, each Series 6 Preferred Share will be and will be deemed, for all purposes, to be, automatically converted (a “Contingent Conversion”), without the consent of the holders thereof, into that number of fully-paid common shares of the Bank (“Common Shares”) determined by dividing the Preferred Share Conversion Value (as defined herein) plus any declared but unpaid dividends in respect of such Series 5 Preferred Share or Series 6 Preferred Share by the Common Share Value (as defined herein). Investors should therefore carefully consider the disclosure with respect to the Bank, the Series 5 Preferred Shares, the Series 6 Preferred Shares, the Common Shares and the consequences of a Trigger Event included and incorporated by reference in this Prospectus Supplement and the accompanying short form base shelf prospectus of the Bank dated January 30, 2014 (the “Prospectus”).

Subject to the provisions of the *Bank Act* (Canada) (the “**Bank Act**”) and to the prior consent of the Superintendent of Financial Institutions Canada (the “**Superintendent**”) and to the provisions described below under “*Details of the Offering – Certain Provisions of the Series 5 Preferred Shares as a Series - Restrictions on Dividends and Retirement of Shares*”, on April 30, 2019 and on April 30th every five years thereafter, the Bank may redeem all or any part of the then outstanding Series 5 Preferred Shares, at the Bank’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all declared and unpaid dividends to the date fixed for redemption. Reference is made to “*Details of the Offering*”.

The Series 5 Preferred Shares and the Series 6 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 5 Preferred Shares or Series 6 Preferred Shares, respectively. Reference is made to “*Risk Factors*”.

Price: \$25.00 per Series 5 Preferred Share to yield initially 4.40% per annum

National Bank Financial Inc. (“**NBF**”), BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., Desjardins Securities Inc., Canaccord Genuity Corp., GMP Securities L.P. and Raymond James Ltd. (collectively, the “**Underwriters**”), as principals, conditionally offer the Series 5 Preferred Shares, subject to prior sale if, as and when issued by the Bank and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Bank by Torys LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. The offering price was determined by negotiation between the Bank and the Underwriters.

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds to the Bank⁽²⁾</u>
Per Series 5 Preferred Share	\$25.00	\$0.75	\$24.25
Total.....	\$125,000,000	\$3,750,000	\$121,250,000

- (1) The Underwriters' fee is \$0.25 for each share sold to certain institutions and \$0.75 per share for all other shares sold. The total represents the Underwriters' fee assuming no shares are sold to such institutions.
- (2) Before deducting expenses of this Offering, estimated at \$400,000, which together with the Underwriters' fee are payable by the Bank.

In connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 5 Preferred Shares in accordance with market stabilization rules. Such transactions, if commenced, may be discontinued at any time. The Underwriters may decrease the price at which the Series 5 Preferred Shares are distributed for cash from the initial offering price of \$25.00 per Series 5 Preferred Share. **Reference is made to “Plan of Distribution” for additional disclosure concerning a possible price decrease.**

Subscriptions for minimum increments of 100 Series 5 Preferred Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on February 10, 2014 or at such later date as may be agreed upon, but in any event not later than February 17, 2014 (the “**Closing Date**”).

A “book-entry only” certificate representing the Series 5 Preferred Shares distributed hereunder will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on the Closing Date, and registration will be made in the depository service of CDS. A purchaser of Series 5 Preferred Shares will receive only a customer confirmation from the registered dealer who is a CDS participant (“**CDS Participant**”) from or through whom the Series 5 Preferred Shares are purchased. Physical certificates representing the Series 5 Preferred Shares will be issued to purchasers in certain circumstances. Reference is made to “*Book-Entry Only Securities*”.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Series 5 Preferred Shares, the Series 6 Preferred Shares and the Common Shares into which such shares may be converted upon a Contingent Conversion on the TSX, subject to the Bank fulfilling all of the requirements of the TSX on or before May 5, 2014. The Common Shares and the First Preferred Shares Series 3 (the “**Series 3 Preferred Shares**”) are listed and posted for trading on the TSX under the symbols “CWB” and “CWB.PR.A”, respectively. On January 30, 2014, the last day of trading prior to the public announcement of the Offering, the closing price for the Common Shares and the Series 3 Preferred Shares on the TSX were \$36.47 and \$25.32, respectively.

Valiant Trust Company (the “**Transfer Agent**”), at its offices in Calgary, Alberta and Toronto, Ontario, is the transfer agent and registrar for the Series 5 Preferred Shares. See “*Transfer Agent and Registrar*”.

There are risks associated with an investment in securities of the Bank. See the risk factors set forth under “*Risk Factors*” for a discussion of factors that should be considered by prospective investors and their advisors in assessing the appropriateness of an investment in the Series 5 Preferred Shares.

TABLE OF CONTENTS

GENERAL MATTERS	S-1
CAUTION REGARDING FORWARD-LOOKING STATEMENTS.....	S-1
DOCUMENTS INCORPORATED BY REFERENCE	S-2
ELIGIBILITY FOR INVESTMENT.....	S-3
USE OF PROCEEDS	S-3
CHANGES IN CONSOLIDATED CAPITALIZATION IN THE BANK	S-4
SHARE CAPITAL	S-4
DETAILS OF THE OFFERING	S-4
RATINGS.....	S-18
EARNINGS COVERAGE	S-18
PLAN OF DISTRIBUTION.....	S-18
RISK FACTORS	S-20
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	S-24
TRADING PRICE AND VOLUME OF THE BANK'S SECURITIES	S-27
LEGAL MATTERS	S-27
TRANSFER AGENT AND REGISTRAR.....	S-27
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	S-27
CERTIFICATE OF THE UNDERWRITERS.....	S-29

GENERAL MATTERS

In this Prospectus Supplement, “**the Bank**”, “**we**”, “**us**” and “**our**” refer collectively to the Bank and its affiliates, unless the context otherwise requires. All references in this Prospectus Supplement to “**dollars**” or “**\$**” are to Canadian dollars unless otherwise noted. The Bank’s financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards.

You should rely only on the information contained in this Prospectus Supplement and in the Prospectus. We have not authorized anyone to provide you with information different from that contained in this Prospectus Supplement or the Prospectus. We are offering to sell, and seeking offers to buy, the Series 5 Preferred Shares only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. The information contained in this Prospectus Supplement is accurate only as of the date of this Prospectus Supplement, regardless of the time of delivery of this Prospectus Supplement or of any sale of the Series 5 Preferred Shares.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Bank makes written and verbal forward-looking statements. Statements of this type are included in the Prospectus and this Prospectus Supplement, in the most recent Annual Report of the Bank and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about the Bank’s objectives and strategies, targeted and expected financial results, and the outlook for the Bank’s businesses or for the Canadian economy. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “may increase”, “may impact”, “goal”, “focus”, “potential”, “proposed” and other similar expressions, or future or conditional verbs such as “will”, “should”, “would” and “could”.

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond the Bank’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, changes in monetary policy, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition, the occurrence of weather-related and other natural catastrophes, changes in accounting standards and policies, the accuracy and completeness of information the Bank receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management’s ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

Additional information about these factors can be found in the Risk Management section of the Bank’s Management’s Discussion and Analysis as contained in the Bank’s Annual Report for the year ended October 31, 2013.

These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors may cause the Bank’s actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, the Bank does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy in 2014 and how it will affect the Bank's businesses are material factors considered when setting organizational objectives and targets. Performance target ranges for fiscal 2014 consider the following management assumptions:

- a modest acceleration of economic growth in Canada and relatively stronger performance in the four western provinces;
- prices for energy and other commodities remaining at levels comparable with those observed at October 31, 2013;
- sound credit quality with actual losses remaining within the Bank's historical range of acceptable levels; and
- a relatively stable net interest margin attributed to favourable deposit costs and shifts in asset mix that help to offset impacts from the very low interest rate environment and competitive factors.

Potential risks that would have a material adverse impact on current economic expectations and forecasts include a global recession spurred by a return to negative growth in the euro zone, a material slowdown of economic growth in the United States and/or China, or a significant and sustained deterioration in Canadian residential real estate prices. Unexpected pricing competition and/or disruptions in domestic or global financial markets that meaningfully impact the costs of overall deposit funding may also contribute to adverse financial results compared to expectations.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Series 5 Preferred Shares. The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

- (a) the Bank's Annual Information Form dated December 4, 2013;
- (b) the Bank's consolidated financial statements for the years ended October 31, 2013 and 2012, together with the auditors' reports thereon;
- (c) the Bank's Management's Discussion and Analysis as contained in the Bank's Annual Report for the year ended October 31, 2013;
- (d) the Bank's October 22, 2013 Management Proxy Circular and attached Notice of Special Meeting held December 12, 2013;
- (e) the Bank's January 3, 2014 Management Proxy Circular and attached Notice of Annual and Special Meeting to be held March 6, 2014;
- (f) the template version (as defined in National Instrument 41-101 — *General Prospectus Requirements* ("NI 41-101")) of the term sheet for the Series 5 Preferred Shares dated January 31, 2014, filed on SEDAR in connection with the Offering (the "**Initial Term Sheet**"); and
- (g) the template version of the revised term sheet for the Series 5 Preferred Shares dated January 31, 2014, filed on SEDAR in connection with the Offering (the "**Term Sheet**")

The Initial Term Sheet is not part of this Prospectus Supplement to the extent that the contents of the Initial Term Sheet have been modified or superseded by a statement contained in this Prospectus Supplement.

The Initial Term Sheet reflected an offering amount of \$100,000,000 (4,000,000 Series 5 Preferred Shares) and an Underwriters' option exercisable at the issue price, in whole or in part, up to two business days prior to closing, to purchase up to 600,000 additional Series 5 Preferred Shares. The terms of this Offering have been confirmed, including to reflect an offering amount of \$125,000,000 (5,000,000 Series 5 Preferred Shares) and removal of the Underwriters' option. Pursuant to subsection 9A.3(7) of National Instrument 44-102 - *Shelf Distributions*, the Bank prepared the Term Sheet reflecting the modifications discussed above, and a blackline has been prepared to show the modified statements. A copy of the Term Sheet and associated blackline can be found under the Bank's profile on www.sedar.com.

Any documents of the type described in Section 11.1 of Form 44-101F1— *Short Form Prospectus* filed by the Bank and any template version of marketing materials (as defined in NI 41-101) filed by the Bank with the various securities commissions or similar authorities in Canada pursuant to the requirements of applicable securities legislation after the date of this Prospectus Supplement and prior to the completion or withdrawal of any offering hereunder are deemed to be incorporated by reference in the Prospectus and this Prospectus Supplement.

Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus will be deemed to be modified or superseded for purposes of this Prospectus Supplement or the Prospectus, as the case may be, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or therein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Bank, and McCarthy Tétrault LLP, counsel to the Underwriters, the Series 5 Preferred Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be, on such date, qualified investments under the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("**TFSAs**").

Notwithstanding that the Series 5 Preferred Shares may be qualified investments, a holder of a TFSA or an annuitant of an RRSP or RRIF will be subject to a penalty tax if the Series 5 Preferred Shares are "prohibited investments" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF. The Series 5 Preferred Shares will generally be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, does not deal at arm's length with the Bank for purposes of the Tax Act or has a significant interest (within the meaning of the Tax Act) in the Bank, unless such shares constitute "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for the TFSA, RRSP or RRIF, as the case may be. Holders of TFSAs and annuitants under RRSPs or RRIFs should consult their own tax advisors in this regard.

USE OF PROCEEDS

The net proceeds to the Bank from the Offering are estimated to be approximately \$120,850,000, after deducting the expenses of the Offering of approximately \$400,000 and the underwriting fee of \$3,750,000 (assuming no Series 5 Preferred Shares are sold to institutions). Such net proceeds will be added to the Bank's capital base and will be used for general corporate purposes.

CHANGES IN CONSOLIDATED CAPITALIZATION IN THE BANK

Upon the completion of the Offering, the Bank will issue 5,000,000 Series 5 Preferred Shares.

SHARE CAPITAL

The authorized share capital of the Bank consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares, provided that the maximum aggregate consideration for all outstanding First Preferred Shares at any time does not exceed \$1,000,000,000, and 33,964,324 Class A Shares. As of January 31, 2014, there were 8,352,596 Series 3 Preferred Shares (with an aggregate consideration (par amount) of \$208,814,900), 79,897,288 Common Shares and no Class A Shares issued and outstanding. The Board of Directors has approved the redemption of all of the outstanding Series 3 Preferred Shares. The redemption is subject to the approval of the Superintendent.

The Prospectus sets out a summary of the restrictions contained in the Bank Act concerning the issue, transfer, acquisition, beneficial ownership and voting of any shares of the Bank, including the First Preferred Shares and the Common Shares. If a person contravenes any of these restrictions, the Minister of Finance (Canada) may, by order, direct such person to dispose of all or any portion of those shares. The Prospectus also sets out a summary of additional statutory and contractual restrictions concerning the declaration of dividends by the Bank and of the statutory restrictions concerning the redemption or purchase by the Bank of its shares. See “*Bank Act Restrictions and Restrictions on Payment of Dividends*” in the Prospectus.

DETAILS OF THE OFFERING

The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Series 5 Preferred Shares as a series and the Series 6 Preferred Shares as a series, each of which represents a series of First Preferred Shares. See “*Description of First Preferred Shares*” in the Prospectus for a description of the general terms and provisions of the First Preferred Shares as a class.

Definition of Terms

The following definitions are relevant to both the Series 5 Preferred Shares and the Series 6 Preferred Shares:

“**Bank Rate**” means the minimum rate at which the Bank of Canada extends short-term advances to members of the Canadian Payments Association.

“**Contingent Conversion Formula**” means:

$$(\text{Multiplier} \times \text{Preferred Share Conversion Value}) \div \text{Conversion Price} = \text{number of Common Shares into which each Series 5 Preferred Share shall be converted}$$

“**Conversion Price**” means the greater of (i) the Floor Price and (ii) the Current Market Price of the Common Shares.

“**Current Market Price**” of the Common Shares means the volume-weighted average trading price of the Common Shares on the TSX or, if not then listed on that exchange, on another exchange or market chosen by the Board of Directors on which the Common Shares are then traded, for the ten (10) consecutive Trading Days ending on the day immediately prior to the date of the Contingent Conversion, or, if no such trading prices are available, “Current Market Price” shall be the fair value of the Common Shares as reasonably determined by the Board of Directors.

“**Equivalent Support**” means a form of support that enhances the Bank’s risk-based capital ratios or is funding that is provided on terms other than normal terms and conditions, provided that, for greater certainty, and without limitation, Equivalent Support does not include:

- (a) Emergency Liquidity Assistance provided by the Bank of Canada at or above the Bank Rate;
- (b) open bank liquidity assistance provided by the Canada Deposit Insurance Corporation at or above its cost of funds; and
- (c) support, including conditional, limited guarantees, provided by the Canada Deposit Insurance Corporation to facilitate a transaction, including an acquisition or amalgamation.

“Floor Price” means \$5.00, as such value may be adjusted as described under “— *Certain Provisions of the Series 5 Preferred Shares as a Series — Conversion of Series 5 Preferred Shares into Common Shares upon a Trigger Event*” and “— *Certain Provisions of the Series 6 Preferred Shares as a Series — Conversion of Series 6 Preferred Shares into Common Shares upon a Trigger Event*”.

“Ineligible Government Holder” means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.

“Ineligible Person” means any person whose address is in, or whom the Bank or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that the issuance or delivery by the Bank to such person of Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares, as the case may be, upon the exercise of rights of conversion or upon a Contingent Conversion (i) would require the Bank to take any action to comply with securities, banking or analogous laws of such jurisdiction or (ii) would give rise to a liability for withholding tax in connection with such issuance or delivery.

“Multiplier” means 1.0.

“Preferred Share Conversion Value” means (i) the par amount of \$25.00 per Series 5 Preferred Share and (ii) the par amount of \$25.00 per Series 6 Preferred Share, as the case may be, plus any declared but unpaid dividends in respect of such Series 5 Preferred Share or Series 6 Preferred Share, as the case may be.

“Significant Shareholder” means any person who beneficially owns, directly or indirectly, through entities controlled by such person or persons associated with or acting jointly or in concert with such person (as determined in accordance with the Bank Act), shares of any class of the Bank in excess of 10% of the total number of outstanding shares of that class in contravention of the Bank Act.

“Trading Day” means, with respect to any stock exchange or market, a day on which shares may be traded through the facilities of that stock exchange or market.

“Trigger Event” has the meaning set out in the OSFI (as defined below) Guideline for Capital Adequacy Requirements (CAR), Chapter 2 — Definition of Capital, effective January 2013, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- (a) the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion of the Series 5 Preferred Shares, the Series 6 Preferred Shares and all other contingent instruments issued by the Bank and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or

- (b) a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or Equivalent Support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Certain Provisions of the Series 5 Preferred Shares as a Series

Definition of Terms

The following definitions are relevant to the Series 5 Preferred Shares.

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.76%.

“Bloomberg Screen GCAN5YR Page” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada Bond yields.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“Government of Canada Yield” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Bank as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“Initial Fixed Rate Period” means the period commencing on the Closing Date and ending on and including April 30, 2019.

“Subsequent Fixed Rate Period” means for the initial Subsequent Fixed Rate Period, the period commencing May 1, 2019 and ending on and including April 30, 2024 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including April 30 in the fifth year thereafter.

Issue Price

The Series 5 Preferred Shares will have an issue price of \$25.00 per Series 5 Preferred Share.

Dividends

During the Initial Fixed Rate Period, the holders of the Series 5 Preferred Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, on the last day of January, April, July and October in each year, at a rate equal to \$1.100 per Series 5 Preferred Share. The initial dividend, if declared, will be payable on April 30, 2014 and will be \$0.2381 per Series 5 Preferred Share, based on the anticipated Closing Date of February 10, 2014.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of Series 5 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable quarterly on the last day of January, April, July and October in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Bank on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of Series 5 Preferred Shares. The Bank will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 5 Preferred Shares.

If the Board of Directors does not declare a dividend, or any part thereof, on the Series 5 Preferred Shares on or before the dividend payment date for a particular quarter, then the entitlement of the holders of the Series 5 Preferred Shares to receive such dividend, or to any part thereof, for such quarter will be forever extinguished.

Redemption

The Series 5 Preferred Shares will not be redeemable prior to April 30, 2019. Subject to the provisions of the Bank Act and to the prior consent of the Superintendent and to the provisions described below under the heading “*Restrictions on Dividends and Retirement of Shares*”, on April 30, 2019 and on April 30 every five years thereafter, the Bank may redeem all or any part of the then outstanding Series 5 Preferred Shares, at the Bank’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all declared and unpaid dividends to the date fixed for redemption.

Notice of any redemption will be given by the Bank at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series 5 Preferred Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions or in any other manner that the Board of Directors may determine.

Conversion of Series 5 Preferred Shares into Series 6 Preferred Shares

Holders of Series 5 Preferred Shares will have the right, at their option, on April 30, 2019 and on April 30th every five years thereafter (a “**Series 5 Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any) payable, all or any of their Series 5 Preferred Shares registered in their name into Series 6 Preferred Shares on the basis of one Series 6 Preferred Share for each Series 5 Preferred Share. The conversion of Series 5 Preferred Shares may be effected upon notice in writing (“**Election Notice**”) given not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 5 Conversion Date. Once received by the Bank or its nominee, an Election Notice is irrevocable.

The Bank will, at least 30 days and not more than 60 days prior to the applicable Series 5 Conversion Date, give notice in writing to the then registered holders of the Series 5 Preferred Shares of the above-mentioned conversion right. On the 30th day prior to each Series 5 Conversion Date, the Bank will give notice in writing to the then registered holders of the Series 5 Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 6 Preferred Shares for the next succeeding Quarterly Floating Rate Period.

Holders of Series 5 Preferred Shares will not be entitled to convert their shares into Series 6 Preferred Shares if the Bank determines that there would remain outstanding on a Series 5 Conversion Date less than 500,000 Series 6 Preferred Shares, after having taken into account all Series 5 Preferred Shares tendered for conversion into Series 6 Preferred Shares and all Series 6 Preferred Shares tendered for conversion into Series 5 Preferred Shares. The Bank will give notice in writing thereof to all registered holders of Series 5 Preferred Shares at least seven days prior to the applicable Series 5 Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series 5 Conversion Date less than 500,000 Series 5 Preferred Shares, after having taken into account all Series

5 Preferred Shares tendered for conversion into Series 6 Preferred Shares and all Series 6 Preferred Shares tendered for conversion into Series 5 Preferred Shares, then, all, but not part, of the remaining outstanding Series 5 Preferred Shares will automatically be converted into Series 6 Preferred Shares on the basis of one Series 6 Preferred Share for each Series 5 Preferred Share on the applicable Series 5 Conversion Date and the Bank will give notice in writing thereof to the then registered holders of such remaining Series 5 Preferred Shares at least seven days prior to the Series 5 Conversion Date.

Upon exercise by the holder of this right to convert Series 5 Preferred Shares into Series 6 Preferred Shares, the Bank reserves the right not to issue Series 6 Preferred Shares to any person whose address is in, or whom the Bank or its Transfer Agent has reason to believe is a resident of the United States, its territories or possessions or other jurisdiction (other than Canada) the laws of which would require the Bank to comply with the registration, prospectus, filing or other similar requirements under the applicable securities laws of such jurisdiction.

Upon exercise by the holder of this right to convert Series 5 Preferred Shares into Series 6 Preferred Shares, the Bank reserves the right not to (i) deliver Series 6 Preferred Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Person or any person who, by virtue of that conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Series 6 Preferred Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its Transfer Agent by or on behalf of such person. In such circumstances, the Bank or its agent will hold, as agent of any such person, all or the relevant number of Series 6 Preferred Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Bank or its agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Series 6 Preferred Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Bank (or its agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its agent will be subject to any liability for failure to sell any such Series 6 Preferred Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its agent from the sale of any such Series 6 Preferred Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with the procedures of CDS or otherwise.

If the Bank gives notice to the registered holders of the Series 5 Preferred Shares of the redemption of all the Series 5 Preferred Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series 5 Preferred Shares of an Annual Fixed Dividend Rate, a Floating Quarterly Dividend Rate applicable to the Series 6 Preferred Shares, or of the conversion right of holders of Series 5 Preferred Shares and the right of any holder of Series 5 Preferred Shares to convert such Series 5 Preferred Shares will cease and terminate in that event.

Conversion of Series 5 Preferred Shares into Common Shares upon a Trigger Event

Upon the occurrence of a Trigger Event, each Series 5 Preferred Share will be, and will be deemed, for all purposes, to be, automatically converted, without the consent of the holders thereof, into that number of fully-paid Common Shares determined by the Contingent Conversion Formula. In any case where the aggregate number of Common Shares to be issued to a holder of Series 5 Preferred Shares pursuant to a Contingent Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share.

As promptly as practicable after the occurrence of a Trigger Event, the Bank shall announce the Contingent Conversion by way of a press release and shall give notice of the Contingent Conversion to the then registered holders of the Series 5 Preferred Shares. From and after the Trigger Event, the Series 5 Preferred Shares will cease to be outstanding, the holders of the Series 5 Preferred Shares will cease to be entitled to dividends on such shares and any certificates representing the Series 5 Preferred Shares will represent only the right to receive upon surrender of such certificate the applicable number of Common Shares described above. A Contingent Conversion shall be mandatory and binding upon both the Bank and all holders of the Series 5 Preferred Shares notwithstanding anything else including: (i) any prior action to or in furtherance of redeeming, exchanging or converting the Series 5 Preferred Shares pursuant to the other terms and conditions of the Series 5 Preferred Shares; and (ii) any delay in or impediment to the issuance or delivery of the Common Shares to the holders of the Series 5 Preferred Shares. See

“*Risk Factors*” for a discussion of the circumstances that may result in a Trigger Event and the consequences of a Trigger Event to a holder of Series 5 Preferred Shares.

Upon a Contingent Conversion, the Bank reserves the right not to (i) deliver Common Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Person or any person who, by virtue of the Contingent Conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Common Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its Transfer Agent by or on behalf of such person. In such circumstances, the Bank or its agent will hold, as agent of any such person, all or the relevant number of Common Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Bank or its agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Common Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Bank (or its agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its agent will be subject to any liability for failure to sell any such Common Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its agent from the sale of any such Common Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with the procedures of CDS or otherwise.

The Floor Price is subject to adjustment in the event of:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend;
- (b) the subdivision, re-division or change of the Common Shares into a greater number of shares; or
- (c) the reduction, combination or consolidation of the Common Shares into a lesser number of shares,

any of such events in clauses (a) to (c) being called a “**Common Share Reorganization**”.

No adjustment of the Floor Price will be made if the amount of such adjustment will be less than 1% of the Floor Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of the Floor Price.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank shall take all necessary action to ensure that the holders of Series 5 Preferred Shares, receive, pursuant to a Contingent Conversion, after such event, the number of shares or other securities that the holders of Series 5 Preferred Shares would have received if the Contingent Conversion occurred immediately prior to the record date for such event.

Purchase for Cancellation

Subject to the provisions of applicable securities law, the rules of the TSX, the Bank Act, the prior consent of the Superintendent, and the provisions described below under the heading “*Restrictions on Dividends and Retirement of Shares*”, the Bank may at any time purchase for cancellation any Series 5 Preferred Share in the open market at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series 5 Preferred Shares are outstanding, the Bank will not, without the approval of the holders of outstanding Series 5 Preferred Shares given as specified below:

- (a) declare, pay or set apart for payment any dividend on the Common Shares or any other shares ranking junior to the Series 5 Preferred Shares (other than share dividends payable in the form of shares ranking junior to the Series 5 Preferred Shares and dividends payable on the Class A shares in the capital of the Bank (“**Class A Shares**”));
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series 5 Preferred Shares (but not Class A Shares and except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 5 Preferred Shares);
- (c) redeem, purchase or otherwise retire less than all the Series 5 Preferred Shares; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, redeem, purchase or otherwise retire any other shares ranking on a parity with the Series 5 Preferred Shares;

unless, in each case, all dividends on the Series 5 Preferred Shares up to and including those payable on the dividend payment date for the last completed period for which dividends are payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series 5 Preferred Shares, have been declared and paid or set apart for payment.

Issue of Additional Series of Preferred Shares

The Bank may issue other series of preferred shares ranking on a parity with the Series 5 Preferred Shares without the authorization of the holders of the Series 5 Preferred Shares.

Amendments to Series 5 Preferred Shares

The Bank will not, without the approval of the holders of the Series 5 Preferred Shares given as specified below under “*Shareholder Approvals*”, delete or vary any rights, privileges, restrictions and conditions attaching to the Series 5 Preferred Shares. In addition to the aforementioned approval, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, make any such deletion or variation which might affect the classification afforded the Series 5 Preferred Shares from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder.

Shareholder Approvals

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series 5 Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66⅔% of the votes cast at a meeting of holders of Series 5 Preferred Shares at which holders of at least 33⅓% of the outstanding Series 5 Preferred Shares are represented or, if no such quorum is present at such meeting, at any adjourned meeting at which shareholders then present or represented by proxy would form the necessary quorum.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, whether voluntary or involuntary, or any other distribution of assets of the Bank for the purpose of winding up its affairs, provided that a Contingent Conversion has not occurred, the holders of the Series 5 Preferred Shares will be entitled to receive \$25.00 for each Series 5 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or any assets of the Bank distributed to the holders of the Common Shares or any shares ranking junior to the Series 5 Preferred Shares (but not the Class A Shares of the Bank). After payment of those amounts, the holders of Series 5 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Contingent Conversion has occurred, all Series 5 Preferred Shares shall have been converted into Common Shares which will rank on a parity with all other Common Shares.

Voting Rights

Subject to applicable law, holders of Series 5 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Bank unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 5 Preferred Shares in any quarter. In that event, the holders will be entitled to receive notice of and to attend only a meeting of shareholders at which directors are to be elected and will have one vote for each Series 5 Preferred Share held. The voting rights of the holders of the Series 5 Preferred Shares will cease on payment by the Bank of the first dividend on the Series 5 Preferred Shares to which the holders are entitled subsequent to the time the voting rights first arose until such time as the Bank may again fail to declare the dividend in full on the Series 5 Preferred Shares in any quarter, in which event the voting rights will become effective again and so on from time to time.

In connection with any action to be taken by the Bank which requires the approval of the holders of Series 5 Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Tax Election

The Bank will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay tax at a rate such that holders of Series 5 Preferred Shares will not be required to pay tax under Part IV.1 of such Act on dividends received on the Series 5 Preferred Shares.

Business Days

If any action is required to be taken by the Bank on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

Certain Provisions of the Series 6 Preferred Shares as a Series

Definition of Terms

The following definitions are relevant to the Series 6 Preferred Shares.

“Floating Quarterly Dividend Rate” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.76% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“Floating Rate Calculation Date” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“Quarterly Commencement Date” means the first day of each of February, May, August and November in each year.

“Quarterly Floating Rate Period” means, for the initial Quarterly Floating Rate Period, the period commencing on May 1, 2019 and ending on and including July 31, 2019, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“T-Bill Rate” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Reuters page BOC BILL.

Issue Price

The Series 6 Preferred Shares will have an issue price of \$25.00 per Series 6 Preferred Share.

Dividends

The holders of the Series 6 Preferred Shares will be entitled to receive floating rate non-cumulative preferential cash dividends as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable quarterly on the last day of January, April, July and October in each year, in the amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by the Bank on the 30th day prior to the first day of each Quarterly Floating Rate Period. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of Series 6 Preferred Shares. The Bank will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to all registered holders of the then outstanding Series 6 Preferred Shares.

If the Board of Directors does not declare a dividend, or any part thereof, on the Series 6 Preferred Shares on or before the dividend payment date for a particular Quarterly Floating Rate Period, then the entitlement of the holders of the Series 6 Preferred Shares to receive such dividend, or to any part thereof, for such Quarterly Floating Rate Period will be forever extinguished.

Redemption

Subject to the provisions of the Bank Act and to the prior consent of the Superintendent and to the provisions described below under the heading “*Restrictions on Dividends and Retirement of Shares*”, on not more than 60 nor less than 30 days’ notice, the Bank may redeem all or any part of the then outstanding Series 6 Preferred Shares, at the Bank’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of: (i) \$25.00 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on April 30, 2024 and on April 30 every five years thereafter; or (ii) \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date on or after April 30, 2019.

Notice of any redemption will be given by the Bank to the holders at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series 6 Preferred Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions or in any other manner that the Board of Directors may determine.

Conversion of Series 6 Preferred Shares into Series 5 Preferred Shares

Holders of Series 6 Preferred Shares will have the right, at their option, on April 30, 2024 and on April 30th every five years thereafter (a “**Series 6 Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any) payable, all or any of their Series 6 Preferred Shares registered in their name into Series 5 Preferred Shares on the basis of one Series 5 Preferred Share for each Series 6 Preferred Share. The conversion of Series 6 Preferred Shares may be effected upon Election Notice given not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 6 Conversion Date.

The Bank will, at least 30 days and not more than 60 days prior to the applicable Series 6 Conversion Date, give notice in writing to the then registered holders of the Series 6 Preferred Shares of the above-mentioned conversion right. On the 30th day prior to each Series 6 Conversion Date, the Bank will give notice in writing to the then registered holders of Series 6 Preferred Shares of the Annual Fixed Dividend Rate applicable to the Series 5 Preferred Shares for the next succeeding Subsequent Fixed Rate Period.

Holders of Series 6 Preferred Shares will not be entitled to convert their shares into Series 5 Preferred Shares if the Bank determines that there would remain outstanding on a Series 6 Conversion Date less than 500,000 Series 5 Preferred Shares, after having taken into account all Series 6 Preferred Shares tendered for conversion into Series 5 Preferred Shares and all Series 5 Preferred Shares tendered for conversion into Series 6 Preferred Shares. The Bank will give notice in writing thereof to all registered holders of the Series 6 Preferred Shares at least seven days prior to the applicable Series 6 Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series 6 Conversion Date less than 500,000 Series 6 Preferred Shares, after having taken into account all Series 6 Preferred Shares tendered for conversion into Series 5 Preferred Shares and all Series 5 Preferred Shares tendered for conversion into Series 6 Preferred Shares, then, all, but not part, of the remaining outstanding Series 6 Preferred Shares will automatically be converted into Series 5 Preferred Shares on the basis of one Series 5 Preferred Share for each Series 6 Preferred Share on the applicable Series 6 Conversion Date and the Bank will give notice in writing thereof to the then registered holders of such remaining Series 6 Preferred Shares at least seven days prior to the Series 6 Conversion Date.

Upon exercise by the holder of this right to convert Series 6 Preferred Shares into Series 5 Preferred Shares, the Bank reserves the right not to issue Series 5 Preferred Shares to any person whose address is in, or whom the Bank or its Transfer Agent has reason to believe is a resident of the United States, its territories or possessions or other jurisdiction (other than Canada) the laws of which would require the Bank to comply with the registration, prospectus, filing or other similar requirements under the applicable securities laws of such jurisdiction.

Upon exercise by the holder of this right to convert Series 6 Preferred Shares into Series 5 Preferred Shares, the Bank reserves the right not to (i) deliver Series 5 Preferred Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Person or any person who, by virtue of that conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Series 5 Preferred Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its Transfer Agent by or on behalf of such person. In such circumstances, the Bank or its agent will hold, as agent of any such person, all or the relevant number of Series 5 Preferred Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Bank or its agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Series 5 Preferred Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Bank (or its agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its agent will be subject to any liability for failure to sell any such Series 5 Preferred Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its agent from the sale of any such Series 5 Preferred Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with the procedures of CDS or otherwise.

If the Bank gives notice to the registered holders of the Series 6 Preferred Shares of the redemption on a Series 6 Conversion Date of all the Series 6 Preferred Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series 6 Preferred Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series 6 Preferred Shares and the right of any holder of Series 6 Preferred Shares to convert such Series 6 Preferred Shares will cease and terminate in that event.

Conversion of Series 6 Preferred Shares into Common Shares upon a Trigger Event

Upon the occurrence of a Trigger Event, each Series 6 Preferred Share will be, and will be deemed, for all purposes, to be, automatically converted, without the consent of the holders thereof, into that number of fully-paid Common Shares determined by the Contingent Conversion Formula. In any case where the aggregate number of Common Shares to be issued to a holder of Series 6 Preferred Shares pursuant to a Contingent Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share.

As promptly as practicable after the occurrence of a Trigger Event, the Bank shall announce the Contingent Conversion by way of a press release and shall give notice of the Contingent Conversion to the then registered holders of the Series 6 Preferred Shares. From and after the Trigger Event, the Series 6 Preferred Shares will cease

to be outstanding, the holders of the Series 6 Preferred Shares will cease to be entitled to dividends on such shares and any certificates representing the Series 6 Preferred Shares will represent only the right to receive upon surrender of such certificate the applicable number of Common Shares described above. A Contingent Conversion shall be mandatory and binding upon both the Bank and all holders of the Series 6 Preferred Shares notwithstanding anything else including: (i) any prior action to or in furtherance of redeeming, exchanging or converting the Series 6 Preferred Shares pursuant to the other terms and conditions of the Series 6 Preferred Shares; and (ii) any delay in or impediment to the issuance or delivery of the Common Shares to the holders of the Series 6 Preferred Shares. See “*Risk Factors*” for a discussion of the circumstances that may result in a Trigger Event and the consequences of a Trigger Event to a holder of Series 6 Preferred Shares.

Upon a Contingent Conversion, the Bank reserves the right not to (i) deliver Common Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Person or any person who, by virtue of the Contingent Conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Common Shares to any person whom the Bank or its Transfer Agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or its Transfer Agent by or on behalf of such person. In such circumstances, the Bank or its agent will hold, as agent of any such person, all or the relevant number of Common Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Bank or its agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Common Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Bank (or its agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its agent will be subject to any liability for failure to sell any such Common Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its agent from the sale of any such Common Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with the procedures of CDS or otherwise.

The Floor Price is subject to adjustment in the event of any Common Share Reorganization.

No adjustment of the Floor Price will be made if the amount of such adjustment will be less than 1% of the Floor Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of the Floor Price.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank shall take all necessary action to ensure that the holders of Series 6 Preferred Shares, receive, pursuant to a Contingent Conversion, after such event, the number of shares or other securities that the holders of Series 6 Preferred Shares would have received if the Contingent Conversion occurred immediately prior to the record date for such event.

Purchase for Cancellation

Subject to the provisions of applicable securities law, the rules of the TSX, the Bank Act, the prior consent of the Superintendent and the provisions described below under the heading “*Restrictions on Dividends and Retirement of Shares*”, the Bank may at any time purchase for cancellation any of the Series 6 Preferred Shares in the open market at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Restrictions on Dividends and Retirement of Shares

As long as any of the Series 6 Preferred Shares are outstanding, the Bank will not, without the approval of the holders of outstanding Series 6 Preferred Shares given as specified below:

- (a) declare, pay or set apart for payment any dividend on the Common Shares or any other shares ranking junior to the Series 6 Preferred Shares (other than share dividends payable in the form of

shares ranking junior to the Series 6 Preferred Shares and dividends payable on the Class A Shares);

- (b) redeem, purchase or otherwise retire any of the Common Shares or any other shares ranking junior to the Series 6 Preferred Shares (but not Class A Shares and except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 6 Preferred Shares);
- (c) redeem, purchase or otherwise retire less than all the Series 6 Preferred Shares; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, redeem, purchase or otherwise retire any other shares ranking on a parity with the Series 6 Preferred Shares;

unless, in each case, all dividends on the Series 6 Preferred Shares up to and including those payable on the dividend payment date for the last completed period for which dividends are payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series 6 Preferred Shares, have been declared and paid or set apart for payment.

Issue of Additional Series of Preferred Shares

The Bank may issue other series of preferred shares ranking on a parity with the Series 6 Preferred Shares without the authorization of the holders of the Series 6 Preferred Shares.

Amendments to Series 6 Preferred Shares

The Bank will not, without the approval of the holders of the Series 6 Preferred Shares given as specified below under “*Shareholder Approvals*”, delete or vary any rights, privileges, restrictions and conditions attaching to the Series 6 Preferred Shares. In addition to the aforementioned approval, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, make any such deletion or variation which might affect the classification afforded the Series 6 Preferred Shares from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder.

Shareholder Approvals

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series 6 Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes cast at a meeting of holders of Series 6 Preferred Shares at which holders of at least 33 $\frac{1}{3}$ % of the outstanding Series 6 Preferred Shares are represented or, if no such quorum is present at such meeting, at any adjourned meeting at which shareholders then present or represented by proxy would form the necessary quorum.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, whether voluntary or involuntary, or any other distribution of assets of the Bank for the purpose of winding up its affairs, provided that a Contingent Conversion has not occurred, the holders of the Series 6 Preferred Shares will be entitled to receive \$25.00 for each Series 6 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or any assets of the Bank distributed to the holders of the Common Shares or any shares ranking junior to the Series 6 Preferred Shares (but not the Class A Shares of the Bank). After payment of those amounts, the holders of Series 6 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Contingent Conversion has occurred, all Series 6 Preferred Shares shall have been converted into Common Shares which will rank on a parity with all other Common Shares.

Voting Rights

Subject to applicable law, holders of Series 6 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Bank unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 6 Preferred Shares in any Quarterly Floating Rate Period. In that event, the holders will be entitled to receive notice of and to attend only a meeting of shareholders at which directors are to be elected and will have one vote for each Series 6 Preferred Share held. The voting rights of the Series 6 Preferred Shares will cease on payment by the Bank of the first dividend on the Series 6 Preferred Shares to which the holders are entitled subsequent to the time the voting rights first arose until such time as the Bank may again fail to declare the dividend in full on the Series 6 Preferred Shares in any Quarterly Floating Rate Period, in which event the voting rights will become effective again and so on from time to time.

In connection with any action to be taken by the Bank which requires the approval of the holders of Series 6 Preferred Shares voting as a series or as part of the class, each such Series 6 Preferred Share will entitle the holder thereof to one vote.

Tax Election

The Bank will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay tax at a rate such that holders of Series 6 Preferred Shares will not be required to pay tax under Part IV.1 of such Act on dividends received on the Series 6 Preferred Shares.

Business Days

If any action is required to be taken by the Bank on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

Book-Entry Only Securities

CDS Clearing

Except as otherwise provided below, the Series 5 Preferred Shares and the Series 6 Preferred Shares will be issued in “book-entry only” form and must be purchased, transferred or redeemed through CDS Participants in the depository service of CDS, as described below. Each of the Underwriters is a CDS Participant. On the Closing Date, the Bank will cause a global certificate or certificates representing the Series 5 Preferred Shares to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Series 5 Preferred Shares or Series 6 Preferred Shares will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, will receive a customer confirmation of purchase from the registered dealer from which the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus Supplement to a holder of Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, means, unless the context otherwise requires, the owner of the beneficial interest in the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Series 5 Preferred Shares or the Series 6 Preferred Shares. If: (i) the “book-entry only” system ceases to exist; (ii) the Bank determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 5 Preferred Shares or the Series 6 Preferred Shares and the Bank is unable to locate a qualified successor; or (iii) the Bank at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, from the “book-entry only” system, then physical certificates representing the Series 5 Preferred Shares or the Series 6 Preferred Shares will be issued to holders thereof or their nominees.

Transfer, Conversion and Redemption of Securities

Transfers of ownership, conversions or redemptions of Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, will be effected only through records maintained by CDS for such Series 5 Preferred Shares or Series 6 Preferred Shares with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Series 5 Preferred Shares or Series 6 Preferred Shares who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Series 5 Preferred Shares or the Series 6 Preferred Shares, may do so only through CDS Participants. The ability of a holder to pledge Series 5 Preferred Shares or Series 6 Preferred Shares or otherwise take action with respect to such holder's interest in the securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Deliveries

The Bank will make, or cause to be made, payments of principal, redemption price, if any, and dividends, as applicable, on Series 5 Preferred Shares or Series 6 Preferred Shares to CDS as the registered holder of the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, and the Bank understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, CDS will be considered the sole owner of the Series 5 Preferred Shares or the Series 6 Preferred Shares for the purposes of receiving notices or payments on the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable. As long as the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, are held in the CDS "book-entry only" system, the responsibility and liability of the Bank in respect of the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable, is limited to making payments of principal, redemption price, if any, and dividends, as applicable, on the Series 5 Preferred Shares or the Series 6 Preferred Shares to CDS, as registered holder of the Series 5 Preferred Shares or the Series 6 Preferred Shares, as applicable. The Bank expects that CDS, upon receipt of any payment in respect of Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, will credit the respective CDS Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Series 5 Preferred Shares or Series 6 Preferred Shares as shown on the records of CDS in accordance with the customary practices and procedures of CDS. The Bank also expects that payments by CDS Participants to the owners of beneficial interests in Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, held through such CDS Participants will be governed by standing instructions and customary practices, and will be the responsibility of such CDS Participants. The rules governing CDS provide that CDS acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS, and persons other than CDS Participants having an interest in Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, must look solely to CDS Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of such Series 5 Preferred Shares or Series 6 Preferred Shares.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest, to exercise any rights with respect to the Series 5 Preferred Shares or the Series 6 Preferred Shares. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Series 5 Preferred Shares or the Series 6 Preferred Shares, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any trustee and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of the Bank or the Underwriters will assume liability or responsibility for: (i) any aspect of the records relating to the beneficial ownership of the Series 5 Preferred Shares or the Series 6 Preferred Shares held by CDS or the payments or deliveries relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Series 5 Preferred Shares or the Series 6 Preferred Shares; or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

RATINGS

The Series 5 Preferred Shares have been assigned a provisional rating of Pfd-3 with a Stable trend by DBRS Limited (“DBRS”).

A Pfd-3 rating by DBRS is the second-highest of three subcategories within the third highest of six categories used by DBRS for preferred shares. According to the DBRS rating system, preferred shares rated Pfd-3 are of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Each category is denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. A rating trend, expressed as “Positive”, “Stable” or “Negative”, provides guidance in respect of DBRS' opinion regarding the outlook for the rating.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series 5 Preferred Shares may not reflect the potential impact of all risks on the value of the Series 5 Preferred Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

The Bank has paid customary rating fees to DBRS in connection with the above-mentioned ratings and will pay customary rating fees to DBRS in connection with the confirmation of such ratings for purposes of this Offering. In addition, the Bank has made customary payments in respect of certain other services provided to the Bank by each of DBRS during the last two years.

EARNINGS COVERAGE

After giving effect to the Offering, the Bank's dividend requirements, adjusted to a before-tax equivalent using an effective tax rate of 23.4% for the 12 months ended October 31, 2013, amounted to \$27,001,000. After giving effect to the Offering and the future redemption of all of the outstanding Series 3 Preferred Shares on April 30, 2014, the Bank's dividend requirements, adjusted to a before-tax equivalent using an effective tax rate of 23.4% for the 12 months ended October 31, 2013, amounted to \$7,180,000.

The Bank's interest requirements/borrowing costs for subordinated debentures, debt securities and capital instrument liabilities and adjusted for the Bank's 5.950% subordinated debentures due June 27, 2018, which were redeemed on June 28, 2013, amounted to \$38,085,000 for the 12 months ended October 31, 2013. The Bank's interest requirements/borrowing costs in this calculation include distributions on CWB Capital Trust Notes as interest expense, consistent with International Accounting Financial Reporting Standards as issued by the International Accounting Standards Board effective for fiscal 2014 that will reclassify CWB Capital Trust Notes from non-controlling interest to deposits.

The Bank's net income available to shareholders of the Bank before interest requirements/borrowing costs and income tax for the 12 months ended October 31, 2013 was \$305,376,000, which was: (i) 8.0 times the Bank's aggregate interest and borrowing requirements, for that period and 4.7 times the Bank's aggregate dividend, interest and borrowing requirements, in each case after adjustment for the redemption of the Bank's 5.950% subordinated debentures noted above and after giving effect to the Offering; and (ii) 8.0 times the Bank's aggregate interest and borrowing requirements, for that period and 6.7 times the Bank's aggregate dividend and interest and borrowing requirements, in each case after adjustment for the redemption of the Bank's 5.950% subordinated debentures and the Series 3 Preferred Shares noted above, and after giving effect to the Offering.

PLAN OF DISTRIBUTION

Under an agreement (the “**Underwriting Agreement**”) dated February 3, 2014 between the Bank and the Underwriters, the Bank has agreed to sell and the Underwriters have severally agreed to purchase on February 10,

2014, or on such later date as may be agreed upon, but in any case, not later than February 17, 2014, subject to the terms and conditions contained therein, all but not less than all of the 5,000,000 Series 5 Preferred Shares at a price of \$25.00 per Series 5 Preferred Share payable in cash to the Bank against delivery of such Series 5 Preferred Shares. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series 5 Preferred Shares if any of such Series 5 Preferred Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Underwriters will be paid an underwriting fee equal to \$0.25 with respect to each Series 5 Preferred Share sold to certain institutions and \$0.75 with respect to all other Series 5 Preferred Shares. Assuming no Series 5 Preferred Shares are sold to such institutions, the underwriting fee will be \$3,750,000. The offering price was determined by negotiation between the Bank and the Underwriters.

The TSX has conditionally approved the listing of the Series 5 Preferred Shares, the Series 6 Preferred Shares and the Common Shares into which such shares may be converted upon a Contingent Conversion on the TSX, subject to the Bank fulfilling all of the requirements of the TSX on or before May 5, 2014.

The Underwriters propose to offer the Series 5 Preferred Shares initially at the price specified on the front cover of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series 5 Preferred Shares at \$25.00 per share, the Underwriters may decrease the price at which the Series 5 Preferred Shares are distributed for cash from the initial offering price of \$25.00 per share and may further change the price at which the Series 5 Preferred Shares are distributed for cash from time to time to an amount not greater than \$25.00 per share and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series 5 Preferred Shares is less than the gross proceeds paid by the Underwriters to the Bank.

Each of the Underwriters has represented and agreed that it will not solicit offers to purchase or sell the Series 5 Preferred Shares so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including, without limitation, the United States, except as set forth in the Underwriting Agreement.

The Offering is being made concurrently in all provinces and territories of Canada. Neither the Series 5 Preferred Shares, the Series 6 Preferred Shares nor the Common Shares have been or will be registered under the 1933 Act or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the 1933 Act), except in certain transactions exempt from, or not subject to, the registration requirements of the 1933 Act and applicable state securities laws.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Series 5 Preferred Shares or the Series 6 Preferred Shares in the United States. In addition, until 40 days after the commencement of this offering, an offer or sale of Series 5 Preferred Shares within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase any Series 5 Preferred Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution. Subject to the foregoing, in connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 5 Preferred Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

RISK FACTORS

An investment in Series 5 Preferred Shares is subject to certain risks.

Investors should carefully consider the risks described below before deciding whether to invest in Series 5 Preferred Shares. Investors should also carefully consider any risks that may be described in other filings the Bank makes with securities regulators including, without limitation, the section entitled “*Risk Management*” contained in the Bank’s Management’s Discussion and Analysis for the year ended October 31, 2013, which is incorporated by reference in this Prospectus Supplement. That analysis discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Bank’s business, financial condition or results of operations. Additional risks and uncertainties not presently known to the Bank may also impair its business operations. If the Bank does not successfully address any of the risks described below or in other filings, there may be a material adverse effect on its business, financial condition or results of operations. As a result, the Bank cannot assure an investor that it will successfully address these risks.

Automatic conversion into Common Shares upon a Trigger Event

Upon the occurrence of a Trigger Event, pursuant to the Contingent Conversion, an investment in the Series 5 Preferred Shares or the Series 6 Preferred Shares will become an investment in fully-paid Common Shares without the consent of the holder. See “*Details of the Offering — Certain Provisions of the Series 5 Preferred Shares as a Series — Conversion of Series 5 Preferred Shares into Common Shares upon a Trigger Event*” and “*Details of the Offering — Certain Provisions of the Series 6 Preferred Shares as a Series — Conversion of Series 6 Preferred Shares into Common Shares upon a Trigger Event*”. After a Contingent Conversion, a holder of Series 5 Preferred Shares or Series 6 Preferred Shares will no longer have any rights as a preferred shareholder of the Bank and will only have rights as a common shareholder. While the Series 5 Preferred Shares, Series 6 Preferred Shares and Common Shares are all equity capital of the Bank, the claims of holders of Series 5 Preferred Shares and Series 6 Preferred Shares have certain priority of payment over the claims of holders of Common Shares. Given the nature of a Trigger Event, a holder of Series 5 Preferred Shares or Series 6 Preferred Shares will become a common shareholder of the Bank at a time when the Bank’s financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, as a result of the Contingent Conversion, the holders of Common Shares may receive, if anything, substantially less than the holders of Series 5 Preferred Shares or Series 6 Preferred Shares might have received had the Series 5 Preferred Shares or Series 6 Preferred Shares not been converted into Common Shares. A Contingent Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or Equivalent Support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms.

A Trigger Event involves a subjective determination outside the Bank’s control

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. See the definition of Trigger Event under “*Details of the Offering - Definition of Terms*”.

The Office of the Superintendent of Financial Institutions (“OSFI”) has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation, the Bank of Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a non-viability determination. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts

and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

If a Trigger Event occurs, then the interests of depositors, other creditors of the Bank, and holders of bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Series 5 Preferred Shares or Series 6 Preferred Shares. The Superintendent retains full discretion to choose not to trigger non-viable contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the holders of Series 5 Preferred Shares and Series 6 Preferred Shares may be exposed to losses through the use of other resolution tools or in liquidation.

Number and value of Common Shares to be received on Contingent Conversion is variable

The number of Common Shares to be received for each Series 5 Preferred Share and each Series 6 Preferred Share is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the Floor Price. See "*Details of the Offering — Certain Provisions of the Series 5 Preferred Shares as a Series — Conversion of Series 5 Preferred Shares into Common Shares upon a Trigger Event*" and "*Details of the Offering — Certain Provisions of the Series 6 Preferred Shares as a Series — Conversion of Series 6 Preferred Shares into Common Shares upon a Trigger Event*". If there is a Contingent Conversion at a time when the market price of the Common Shares is below the Floor Price, investors will receive Common Shares with an aggregate market price less than the Preferred Share Conversion Value. Investors may also receive Common Shares with an aggregate market price less than the prevailing market price of the Series 5 Preferred Shares or Series 6 Preferred Shares being converted if such shares are trading at a price above the Preferred Share Conversion Value.

The Bank is expected to have outstanding from time to time other preferred shares and subordinated debt that will automatically convert into Common Shares upon a Trigger Event. In the case of such subordinated debt, the number of Common Shares to be received on conversion will be calculated by reference to the principal amount of such debt, together with accrued and unpaid interest and, in order to take into account the hierarchy of claims in a liquidation, holders of subordinated debt are expected to receive economic entitlements which are more favourable than preferred shareholders. Subordinated debt that is convertible into Common Shares upon a Trigger Event will likely use, and other preferred shares that are convertible into Common Shares upon a Trigger Event may also use, a lower effective floor price (for example, using a different multiple) than that applicable to the Series 5 Preferred

Shares and Series 6 Preferred Shares to determine the maximum number of Common Shares to be issued to holders of such instruments upon a Contingent Conversion. Accordingly, holders of Series 5 Preferred Shares and Series 6 Preferred Shares will receive Common Shares pursuant to a Contingent Conversion at a time when subordinated debt is converted into Common Shares at a conversion rate that is more favourable to the holder of such instruments and other preferred shares are converted into Common Shares at a conversion rate that may be more favourable to the holder of such instruments, in each case, than the rate applicable to the Series 5 Preferred Shares and Series 6 Preferred Shares, thereby causing substantial dilution to holders of Common Shares and the holders of Series 5 Preferred Shares and Series 6 Preferred Shares, who will become holders of Common Shares upon the Trigger Event.

Common Shares received on a Contingent Conversion may be subject to further dilution

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken to restore or maintain the viability of the Bank, such as the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, holders of Series 5 Preferred Shares and Series 6 Preferred Shares will receive Common Shares pursuant to a Contingent Conversion at a time when debt obligations of the Bank may be converted into Common Shares, possibly at a conversion rate that is more favourable to the holder of such obligations than the rate applicable to the Series 5 Preferred Shares and Series 6 Preferred Shares, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the holders of Series 5 Preferred Shares and Series 6 Preferred Shares, who will become holders of Common Shares upon the Trigger Event.

Circumstances surrounding Contingent Conversion and effect on market price

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. See the definition of Trigger Event under “*Details of the Offering - Definition of Terms*”. As a result, a Contingent Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause a Contingent Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when a Contingent Conversion may occur, it will be difficult to predict, when, if at all, the Series 5 Preferred Shares or Series 6 Preferred Shares will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Series 5 Preferred Shares or Series 6 Preferred Shares is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Series 5 Preferred Shares, Series 6 Preferred Shares and the Common Shares, whether or not such Trigger Event actually occurs.

The Series 5 Preferred Shares and Series 6 Preferred Shares are non-cumulative and there is a risk the Bank will be unable to pay dividends on the shares

The dividends on the Series 5 Preferred Shares and the Series 6 Preferred Shares are non-cumulative and are payable at the discretion of the Board of Directors. See “*Earnings Coverage*” which is relevant to our assessment of the risk that the Bank will be unable to pay dividends on the Series 5 Preferred Shares or the Series 6 Preferred Shares.

The Bank has covenanted for the benefit of the holders of Canadian Western Bank Trust Securities (“**CWB WesTS**”) that, if a distribution is not paid in full when due on any outstanding CWB WesTS issued by Canadian Western Bank Capital Trust, the Bank will not declare or pay cash dividends on its First Preferred Shares and Common Shares, in each case, until the twelfth month following such deferral date, unless the required distribution is paid to the holders of CWB WesTS.

The value of the Series 5 Preferred Shares and the Series 6 Preferred Shares will be affected by the Bank’s general creditworthiness

The value of Series 5 Preferred Shares and Series 6 Preferred Shares will be affected by the general creditworthiness of the Bank. Real or anticipated changes in credit ratings on the Series 5 Preferred Shares or the Series 6 Preferred

Shares may affect the market value of the Series 5 Preferred Shares and the Series 6 Preferred Shares, respectively. No assurance can be given that any credit ratings assigned to the Series 5 Preferred Shares or the Series 6 Preferred Shares will not be lowered or withdrawn entirely by the relevant rating agency. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

Ranking on insolvency or winding-up

The Series 5 Preferred Shares rank, and the Series 6 Preferred Shares will, if issued, rank, equally with other First Preferred Shares of the Bank in the event of an insolvency or winding-up of the Bank where a Contingent Conversion has not occurred. If the Bank becomes insolvent or is wound-up where a Contingent Conversion has not occurred, the Bank's assets must be used to pay deposit liabilities and other debt, including subordinated debt, before payments may be made on the Series 5 Preferred Shares or the Series 6 Preferred Shares.

If a Contingent Conversion has occurred, the ranking of the Series 5 Preferred Shares and Series 6 Preferred Shares will not be relevant since all Series 5 Preferred Shares and Series 6 Preferred Shares will be converted into Common Shares which will rank on a parity with all other Common Shares of the Bank.

The market value of the Series 5 Preferred Shares and the Series 6 Preferred Shares may fluctuate

Prevailing yields on similar securities will affect the market value of Series 5 Preferred Shares and the Series 6 Preferred Shares. Assuming all other factors remain unchanged, the market value of the Series 5 Preferred Shares and the Series 6 Preferred Shares will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series 5 Preferred Shares and the Series 6 Preferred Shares in an analogous manner.

The Bank is subject to an extensive regulatory regime designed to protect depositors first and foremost, not shareholders

The Bank is subject to extensive oversight in the jurisdictions in which it does business. These regulations are primarily intended to protect depositors first and foremost, not shareholders. The Bank's business may be adversely affected by changes in applicable law or regulation or the interpretation or enforcement thereof.

The redemption or purchase by the Bank of Series 5 Preferred Shares and Series 6 Preferred Shares is subject to the consent of the Superintendent and other restrictions contained in the Bank Act.

No fixed maturity date

Neither the Series 5 Preferred Shares nor the Series 6 Preferred Shares have a fixed maturity date and are not redeemable at the option of the holders of Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable. The ability of a holder to liquidate its holdings of Series 5 Preferred Shares or Series 6 Preferred Shares, as applicable, may be limited.

Reset of dividend rate

The dividend rate in respect of the Series 5 Preferred Shares will reset on April 30, 2019 and on April 30th every five years thereafter. The dividend rate in respect of the Series 6 Preferred Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

Investments in the Series 6 Preferred Shares, given their floating interest component, entail significant risks not associated with investments in the Series 5 Preferred Shares. The resetting of the applicable rate on a Series 6 Preferred Share may result in a lower yield compared to fixed rate Series 5 Preferred Shares. The applicable rate on a Series 6 Preferred Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable

rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Bank has no control.

Automatic conversion into Series 5 Preferred Shares and Series 6 Preferred Shares

An investment in the Series 5 Preferred Shares, or in the Series 6 Preferred Shares, as the case may be, may become an investment in Series 6 Preferred Shares or the Series 5 Preferred Shares respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under “*Details of the Offering — Certain Provisions of the Series 5 Preferred Shares as a Series — Conversion of Series 5 Preferred Shares into Series 6 Preferred Shares*” and “*Details of the Offering — Certain Provisions of the Series 6 Preferred Shares as a Series — Conversion of Series 6 Preferred Shares into Series 5 Preferred Shares*” above. Upon the automatic conversion of the Series 5 Preferred Shares into Series 6 Preferred Shares, the dividend rate on the Series 6 Preferred Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate, which may vary from time to time, while, upon the automatic conversion of the Series 6 Preferred Shares into Series 5 Preferred Shares, the dividend rate on the Series 5 Preferred Shares will be, for each Subsequent Fixed Rate Period, the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

There is no existing public market for the Series 5 Preferred Shares or the Series 6 Preferred Shares, a market may not develop and purchasers may have to hold their shares indefinitely

There is currently no market through which the Series 5 Preferred Shares and the Series 6 Preferred Shares may be sold. The Bank cannot provide any assurance that an active or any trading market will develop or be maintained for the Series 5 Preferred Shares and Series 6 Preferred Shares. To the extent that an active trading market for the Series 5 Preferred Shares and the Series 6 Preferred Shares does not develop, the liquidity and trading prices for the Series 5 Preferred Shares and the Series 6 Preferred Shares may be adversely affected. If the Series 5 Preferred Shares and the Series 6 Preferred Shares are traded after their initial issuance, they may trade at a discount from their initial price depending on prevailing interest rates, the market for similar securities, the Bank’s performance and other factors.

The trading price of the securities of the Bank have been and may continue to be subject to significant fluctuations, which may be based on factors unrelated to its financial performance or prospects. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries.

From time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Series 5 Preferred Shares and Series 6 Preferred Shares for reasons unrelated to the Bank’s performance. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, defaults by other financial institutions in Canada, the United States or other countries may adversely affect the Bank and the market price of its securities. Additionally, the value of the securities of the Bank is subject to market value fluctuations based on factors which influence the Bank’s operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Bank, and McCarthy Tétrault LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Series 5 Preferred Shares purchased pursuant to this Prospectus Supplement (a “**Holder**”) who, for purposes of the Tax Act and at all relevant times, is resident or is deemed to be resident in Canada, deals at arm’s length with and is not affiliated with the Bank, holds such Series 5 Preferred Shares, and will hold any Series 6 Preferred Shares issuable upon conversion of such Series 5 Preferred Shares and any Common Shares issuable upon a Contingent Conversion, as capital property and is not exempt from tax under Part I of the Tax Act. Generally, the Series 5 Preferred Shares, Series 6 Preferred Shares and Common Shares will be considered to constitute capital property to a Holder provided that the Holder does not use or hold such shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Series 5 Preferred Shares, Series 6 Preferred Shares or

Common Shares as capital property may, in certain circumstances, be entitled to have such shares and all other “Canadian securities”, as defined in the Tax Act, owned by them in the year of the election and any subsequent taxation year treated as capital property by making the irrevocable election permitted under subsection 39(4) of the Tax Act.

This summary is not applicable to a purchaser an interest in which is a “tax shelter investment” (as defined in the Tax Act), to a purchaser who has elected to determine its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency, to a purchaser who is a “financial institution” (as defined in the Tax Act) for purposes of certain rules applicable to securities held by financial institutions (referred to as the “mark-to-market” rules) or to a purchaser that has entered into or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares. Such purchasers should consult their own tax advisors. Furthermore, this summary is not applicable to a purchaser that is a “specified financial institution” (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm’s length, in the aggregate dividends in respect of more than 10% of the Series 5 Preferred Shares or Series 6 Preferred Shares, as the case may be, outstanding at the time a dividend is (or is deemed to be) received. This summary also assumes that all issued and outstanding Series 5 Preferred Shares and Series 6 Preferred Shares will be listed on a “designated stock exchange” (as defined in the Tax Act) in Canada (which currently includes the TSX) at the time dividends are (or deemed to be) received on such shares.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by the CRA prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations, and, except for the Tax Proposals, does not take into account or anticipate any changes in law or CRA administrative policies or assessing practices, whether by way of legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurance can be given that this will be the case, and no assurance can be given that judicial, legislative or administrative changes will not modify or change the statements below.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. Prospective purchasers of Series 5 Preferred Shares should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares having regard to their own particular circumstances.

Dividends

Dividends (including deemed dividends) received on the Series 5 Preferred Shares, the Series 6 Preferred Shares or the Common Shares by an individual (other than certain trusts) will be included in the individual’s income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend tax credit rules applicable to any dividends designated by the Bank as “eligible dividends” in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Bank to designate dividends as eligible dividends. Dividends (including deemed dividends) received on the Series 5 Preferred Shares, the Series 6 Preferred Shares or the Common Shares by a corporation to which this summary applies will be included in computing its income and will generally be deductible in computing its taxable income.

The Series 5 Preferred Shares and the Series 6 Preferred Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate Holders of the Series 5 Preferred Shares and the Series 6 Preferred Shares. The terms of the Series 5 Preferred Shares and the Series 6 Preferred Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such

corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 5 Preferred Shares and the Series 6 Preferred Shares.

A “private corporation”, as defined in the Tax Act, or any other Canadian resident corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33⅓% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 5 Preferred Shares, the Series 6 Preferred Shares and the Common Shares to the extent such dividends are deductible in computing its taxable income.

Disposition

A Holder who disposes of or is deemed to dispose of Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares (including on a redemption of the shares or other acquisition by the Bank, but not including a conversion of the Series 5 Preferred Shares into Series 6 Preferred Shares or Common Shares and a conversion of Series 6 Preferred Shares into Series 5 Preferred Shares or Common Shares, in each case as described in the next section) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of such shares to such Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or acquisition by the Bank of Series 5 Preferred Shares or Series 6 Preferred Shares (described below) generally will not be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. If the Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Series 5 Preferred Shares or Series 6 Preferred Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and under circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Redemption and Conversion

If the Bank redeems for cash or otherwise acquires Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market or by reason of a conversion described in the immediately following paragraph, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) in respect of such shares at such time. The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

The conversion of the Series 5 Preferred Shares into Series 6 Preferred Shares or Common Shares and the conversion of Series 6 Preferred Shares into Series 5 Preferred Shares or Common Shares, in each case as described in this Prospectus Supplement, will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of Series 6 Preferred Shares, Series 5 Preferred Shares or Common Shares, as the case may be, received on the conversion will be deemed to be equal to the Holder’s adjusted cost base of the converted Series 5 Preferred Shares or Series 6 Preferred Shares, as the case may be, immediately before the conversion. The adjusted cost base of the Series 5 Preferred Shares, Series 6 Preferred Shares or Common Shares, respectively, held by a Holder will be subject to the cost averaging rules in the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally one-half of any capital gain (a “**taxable capital gain**”) realized by a Holder in a taxation year must be included in the Holder’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains realized for a taxation year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent

taxation year against net taxable capital gains in such years, to the extent and under the circumstances described in the Tax Act.

Additional Refundable Tax

A Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax on certain investment income, including taxable capital gains.

Alternative Minimum Tax

Taxable capital gains realized and dividends received (or deemed to be received) by a Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. A Holder who is an individual or a trust should contact their own tax advisor in this regard.

TRADING PRICE AND VOLUME OF THE BANK’S SECURITIES

The Common Shares are traded on the TSX under the symbol “CWB”. The following table shows the price ranges and volume traded for the Common Shares for January 2014.

Period	Common Shares	
	Price	Volume
January 2014	\$35.77 – 39.05	7,198,611

The Series 3 Preferred Shares are traded on the TSX under the symbol CWB.PR.A. The following table shows the price ranges and volume traded for the Series 3 Preferred Shares for January 2014.

Period	Series 3 Preferred Shares	
	Price	Volume
January 2014	\$25.12 – 25.84	336,889

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Series 5 Preferred Shares will be passed upon, on behalf of the Bank, by Torys LLP and, on behalf of the Underwriters, by McCarthy Tétrault LLP. The partners, associates and counsel of each of Torys LLP and McCarthy Tétrault LLP beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of the Bank or of any associate or affiliate of the Bank.

TRANSFER AGENT AND REGISTRAR

Valiant Trust Company, a wholly-owned subsidiary of the Bank, will act as transfer agent and registrar at its principal offices in Calgary, Alberta and Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the

securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of Series 5 Preferred Shares, to the extent such Series 5 Preferred Shares are convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus Supplement or the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Series 5 Preferred Shares are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise, as applicable, of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE UNDERWRITERS

Dated: February 3, 2014

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

NATIONAL BANK FINANCIAL INC.

BY: (SIGNED) DARIN E. DESCHAMPS

BMO NESBITT BURNS INC.

BY: (SIGNED) AARON M. ENGEN

RBC DOMINION SECURITIES INC.

BY: (SIGNED) JOHN BYLAARD

TD SECURITIES INC.

BY: (SIGNED) SEAN C. MARTIN

CIBC WORLD MARKETS INC.

BY: (SIGNED) SHANNAN LEVERE

SCOTIA CAPITAL INC.

BY: (SIGNED) DAVID GARG

DESJARDINS SECURITIES INC.

BY: (SIGNED) A. THOMAS LITTLE

CANACCORD GENUITY CORP.

BY: (SIGNED) ALAN POLAK

GMP SECURITIES L.P.

BY: (SIGNED) NEIL SELFE

RAYMOND JAMES LTD.

BY: (SIGNED) J. GRAHAM FELL