Pacific & Western Bank of Canada

ANNUAL INFORMATION FORM
For the year ended October 31, 2015

JANUARY 26, 2016

PACIFIC & WESTERN BANK OF CANADA ANNUAL INFORMATION FORM

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Caution Regarding Forward-Looking Statements

The Bank occasionally makes forward-looking statements about its objectives, operations and targeted financial results. These statements may be written or verbal and may be included in such things as press releases, corporate presentations, Annual Reports and other disclosure documents and communications. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian economy in general and the strength of local economies within Canada in which we conduct operations; the effect of changes in interest rates; the effects of competition in the markets in which we operate; capital market fluctuations; and, the impact of changes in laws and regulations. When relying on forward-looking statements to make decisions, investors and others should carefully consider these factors and other uncertainties or potential events. Except as required by securities law, the Bank makes no undertaking to update any forward-looking statement that is made from time to time by the Bank.

Information

Unless otherwise noted, all information is given as at October 31, 2015. Financial information is based on the audited consolidated financial statements of Pacific & Western Bank of Canada for the year ended October 31, 2015, and all monetary amounts are expressed in Canadian Dollars.

CORPORATE STRUCTURE

Incorporation

Pacific & Western Bank of Canada (the "Bank") was originally incorporated in June, 1979 under *The Business Corporations Act* (Saskatchewan) and operated as a provincially licensed trust company. In January, 1993, a syndicate of investors, including the current President and CEO of the Bank, acquired PWC Capital Inc. ("PWC"). At the time of the acquisition PWC owned all of the shares of the Bank; as such, the syndicate acquired the Bank when it acquired PWC.

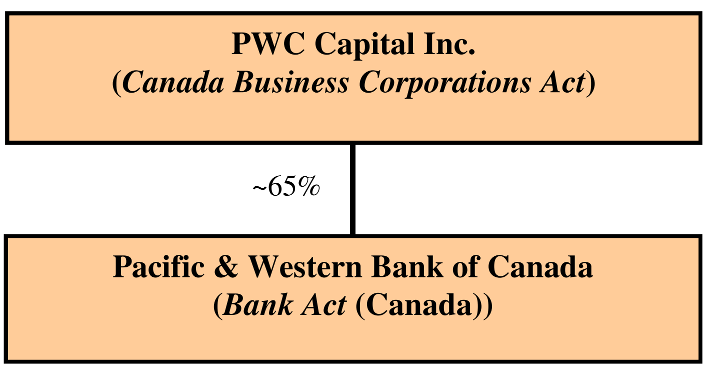
On August 1, 2002, the Bank was granted a Schedule I Bank license and continued under the *Bank Act* (Canada). The *Bank Act* (Canada) is the charter of the Bank and governs its operations.

PWC was the sole shareholder of the Bank until the initial public offering ("IPO") of the Bank's Common Shares, which began trading on the Toronto Stock Exchange on August 27, 2013.

The head and registered office of the Bank is Suite 2002–140 Fullarton Street, London, Ontario, N6A 5P2. The fiscal year end of the Bank is October 31.

Inter-corporate Relationships

The following chart summarizes the primary corporate structure of the Bank, the jurisdiction of incorporation of each corporate entity and percentage of votes attached to all securities beneficially owned or over which control is exercised by the Bank.



GENERAL DEVELOPMENT OF THE BUSINESS

The Bank was a wholly-owned subsidiary of PWC until August 27, 2013. During 2013, the Bank completed the IPO of its Common Shares, and on August 27, 2013 the Bank's Common Shares began trading on the Toronto Stock Exchange. Following the Bank's IPO, PWC's ownership of the Bank was reduced and it is currently approximately 65%.

Throughout the calendar year 2013 the Bank repaid $37 million of its subordinated debt. On March 7, 2013 the Bank repaid $30 million of subordinated notes that the Bank owed to PWC. PWC, in turn, used the proceeds to subscribe for additional Common Shares of the Bank. In December, 2013, using proceeds from the IPO, the Bank repaid $7.0 million of an aggregate $21.5 million of remaining subordinated notes that the Bank issued to a third party in 2009 and 2011.

During 2014, the Bank completed an offering of its Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 1 ("Series 1 Preferred Shares"), which qualify as Tier 1 capital of the Bank. The Bank's Series 1 Preferred Shares began trading on the Toronto Stock Exchange on October 30, 2014. During 2015, the Bank completed an offering of its Non-Cumulative 6-Year Rate Reset Preferred Shares, Series 3 (Non-Viability Contingent Capital (NVCC)) ("Series 3 Preferred Shares"), which qualify as Tier 1 capital of the Bank. The Bank's Series 3 Preferred Shares began trading on the Toronto Stock Exchange on February 19, 2015.

The Bank plans to increase profitability over the course of 2016 primarily through the growth of its lending programs, specifically its bulk receivable purchase program, and to continue the diversification and expansion of the Bank's deposit gathering system.

DESCRIPTION OF THE BUSINESS

The Bank, a technologically proficient Schedule I chartered bank, operates under the *Bank Act* and is a member institution of the Canada Deposit Insurance Corporation ("CDIC"). The Bank operates using an "electronic branchless model" and sources deposits, consumer loans, commercial loans and leases electronically. The Bank also makes residential development and commercial mortgages it sources through a well-established network of brokers and direct contact with its lending staff.

The Bank has two primary business activities, (1) deposit services and (2) lending services.

(1) Deposit Services

Deposit services are located in Saskatoon, Saskatchewan. Deposits, consisting of guaranteed investment certificates, tax free savings accounts, registered retirement saving plan accounts, and daily interest savings accounts, eligible for CDIC insurance, are raised through a diversified network of financial advisors and deposit brokers across Canada. The Bank also raises deposits through its trustee in bankruptcy deposit program. The Bank's branchless model and innovative in-house developed software enable it to efficiently process deposit transactions without a substantial investment in fixed assets or employees.

At October 31, 2015, deposits totalled approximately $1.3 billion, including $111 million from its trustee integrated banking program. At October 31, 2014, deposits totalled approximately $1.2 billion, including $84 million from its trustee integrated banking program. In fiscal 2016, the Bank plans to continue to grow its trustee integrated banking program, while also leveraging the infrastructure and experience gained via the development of the trustee integrated banking program to access additional, niche, low cost deposit markets.

(2) Lending Services

The Bank's lending portfolio is categorized into: (a) government financings, (b) residential multi-family mortgages, (c) bulk purchases of loan and lease contract receivables that are derived from commercial and consumer loans and leases, (d) commercial mortgages, and (e) consumer finance. These lending segments are supported by the Bank's lending team on a regional basis, through representatives in the Vancouver and Toronto regions, and out of offices in London, Ontario; Waterloo, Ontario; and Saskatoon, Saskatchewan. This allows the lending team to leverage local and regional business knowledge and established lending relationships when sourcing and structuring lending transactions.

The Bank places an emphasis on lending in niche markets that have lower than average administrative requirements. This includes bulk purchases of loan and lease contract receivables that are derived from commercial and consumer loans and leases sourced primarily through the Bank's bulk receivable purchase program. In addition, the Bank finances a select number of real estate developers, primarily in Southwestern Ontario. The Bank also provides consumer financing through its private label credit card program.

In 2016, the Bank expects that lending assets will increase, with the primary area of growth expected to come from commercial mortgages and contract receivables derived from commercial and consumer loans and leases sourced through the bulk receivable purchase program.

(a) Government Financings

Government financings consist of loans and leases to hospitals and school boards and federal, provincial, territorial and municipal governments.

At October 31, 2015, assets in this portfolio totalled $72.2 million or 4% of total assets and gross revenue was $2.2 million or 3% of total gross revenue. At October 31, 2014, assets in this portfolio totalled $87.3 million or 6% of total assets and gross revenue was $3.6 million or 6% of total gross revenue. Total gross revenue is a combination of interest income and fee income. The decrease in government financings from fiscal 2014 to fiscal 2015 is a result of a reduced focus on government financing due to market conditions. The Bank does not expect this portfolio to increase in the coming year due to the emphasis on commercial and consumer financing opportunities, particularly the bulk receivable purchase program.

(b) Residential Multi-Family Mortgages

The Bank has insured and uninsured residential mortgages outstanding which are comprised primarily of multi-family residential units.

At October 31, 2015, assets in this portfolio were $112.8 million or 7% of total assets, and gross revenue was $5.4 million or 8% of total gross revenue. At October 31, 2014, assets in this portfolio were $122.7 million or 8% of total assets and gross revenue was $5.8 million or 10% of total gross revenue.

(c) Commercial and Consumer Loans and Leases

Commercial and consumer loans and leases consist primarily of commercial loans to corporations and commercial and consumer loans and lease receivables sourced through the bulk receivable purchase program.

As at October 31, 2015, assets in this portfolio totalled $783.8 million or 48% of total assets and gross revenue contributed was $30.4 million or 46% of total gross revenue. At October 31, 2014, assets in this portfolio totalled $548.2 million or 38% of total assets and gross revenue was $19.2 million or 32% of total gross revenue. The Bank expects this portfolio to be a key growth driver for lending in the coming year.

(d) Commercial Mortgages

Commercial mortgages consist primarily of residential and commercial construction and term mortgages primarily in Southwestern Ontario.

As at October 31, 2015, assets in this portfolio totalled $445.9 million or 27% of total assets and gross revenue contributed was $21.3 million or 32% of total gross revenue. At October 31, 2014, assets in this portfolio totalled $432.6 million or 30% of total assets and gross revenue was $23.7 million or 40% of total gross revenue. The increase in commercial mortgages was primarily due to the timing of transactions.

(e) Consumer Finance

Currently, the Bank's consumer finance business is comprised of the issuance of a private-label credit card called the Home Credit Card, in cooperation with the Bank's retail business partner Home Hardware Stores Limited ("Home Hardware"). The Home Credit Card offers financing terms exclusively to Home Hardware's consumers for the purpose of financing a broad spectrum of home improvement related purchases. The Bank continues to review and assess opportunities in the consumer finance space.

At October 31, 2015, assets in this portfolio totalled $27.4 million or 2% of total assets, and gross revenue, in the form of interest income and fees, was $4.9 million or 7% of total gross revenue. At October 31, 2014, assets in this portfolio totalled $28.0 million or 2% of total assets, and gross revenue, in the form of interest income and fees, was $4.2 million or 7% of total gross revenue.

Treasury Assets

Treasury assets are in the form of cash, government securities, term deposits and debt of other financial institutions, and are held primarily for liquidity management purposes.

At October 31, 2015, assets in the treasury portfolio totalled $149.5 million or 9% of total assets and gross revenue was $1.5 million or 2% of total gross revenue. At October 31, 2014, assets in this portfolio were $193.9 million or 13% of total assets and gross revenue was $2.9 million or 5% of total gross revenue.

Specialized Skills and Knowledge / Competitive Conditions

The Canadian financial services industry is highly developed and competitive. While many of Canada's financial institutions carry on full service businesses, the Bank operates according to a different business model, as it focuses on raising deposits without branches and it reinvests these funds in loans and leases in the Bank's target markets.

The Bank faces competition in attracting deposits from virtually all other large and small Canadian institutions that raise deposits. The Bank has strong long term relationships with its national network of deposit brokers, and has developed its own software and systems to enable it to efficiently process deposit instruments through this network. As a result, the Bank is in a strong competitive position by being able to handle a large volume of deposits with a minimal number of employees.

With its lending programs, the Bank competes with other Canadian financial institutions, both large and small. The Bank differentiates itself and reduces the prospect of direct competition by focusing on lending within markets that contain fewer administration requirements, are under-serviced, and in which the Bank's employees have particular skills and experience. The Bank has a comprehensive set of investment and lending policies and procedures that govern this aspect of the Bank's business.

Another advantage that the Bank has over its competitors is that it does not have a significant investment in fixed assets. By raising deposits through a deposit broker network across Canada, the Bank does not have the physical locations and branches it would otherwise need.

Supervision and Regulation

The Bank's activities are governed by the *Bank Act* (Canada). In accordance with the *Bank Act,* banks may engage in and carry on the business of banking and such business generally as pertains to the business of banking. The Ministry of Finance or the Superintendent of Financial Institutions (Canada) (the "Superintendent") is responsible to the Minister of Finance (Canada) for the administration of the

Bank Act. The Superintendent provides guidelines regarding disclosure of a bank's financial information and is also required to make an annual examination of each bank to ensure compliance with the *Bank Act* and to monitor each bank's financial condition and intervene, when necessary, when a bank fails.

Banks have broad powers to invest in the securities of other corporations and entities, but the *Bank Act* imposes limits upon substantial investments. Under the *Bank Act*, generally a bank has a substantial investment in a body corporate when (i) the voting shares beneficially owned by the bank and by entities controlled by the bank exceed 10% of the outstanding voting shares of the body corporate or (ii) the total of the shares of the body corporate that are beneficially owned by the bank and entities controlled by the bank represent more than 25% of the total shareholders' equity of the body corporate. A Canadian chartered bank is permitted to have a substantial investment in entities whose activities are consistent with those of certain prescribed permitted substantial investments. In general, a bank will be permitted to invest in an entity that carries on any financial service activity whether that entity is regulated or not. Further, a bank may invest in entities that carry on commercial activities that are related to the promotion, sale, delivery or distribution of a financial product or service, or that relate to certain information services. A bank may also invest in entities that invest in real property, act as mutual funds or mutual fund distributors or that service financial institutions, and a bank may have downstream holding companies to hold these investments. In certain cases, the approval of the Superintendent is required prior to making the investment and/or the bank is required to control the entity. Banks may, by way of temporary investment, acquire control of, or acquire or increase a substantial investment in, an entity for a two year period. This time period may be extended upon application to the Superintendent. Other than for authorized types of insurance, chartered banks may offer insurance products only through their subsidiaries and not through their branch systems. Banks are prohibited from engaging in automobile leasing.

Employees and Principal Properties

At October 31, 2015, the Bank had 79 full time employees operating out of leased offices located in London, Ontario; Waterloo, Ontario; and, Saskatoon, Saskatchewan. Since the Bank does not carry on a retail operation, all of these locations are offices for executives and administrative staff working for all segments of the Bank's business.

Risk Factors

The risks faced by the Bank are described on pages 31 to 39 of the Management's Discussion and Analysis for the year ended October 31, 2015, which pages are incorporated herein by reference.

DIVIDENDS AND DISTRIBUTIONS

Common Shares

While there are no restrictions in the Bank's By-Laws prohibiting the declaration of dividends on Common Shares, the Bank does not currently pay such dividends.

Preferred Shares

Holders of Series 1 Preferred Shares of the Bank are entitled to receive, as and when declared by the Board of Directors ("Board"), fixed non-cumulative preferential cash dividends at the rate of $0.70 per share per annum, or $0.175 per share per quarter. Such dividends are paid quarterly on the last day of January, April, July and October in each year.

The Series 1 Preferred Shares were listed and posted for trading on the Toronto Stock Exchange on October 30, 2014 and, accordingly, no dividends were payable in fiscal 2014. On January 8, 2015, the Board declared an initial quarterly cash dividend on the Series 1 Preferred Shares, payable on January 31, 2015, in the amount of $0.176 per Series 1 Preferred Share. Thereafter, on April 30, 2015, July 31, 2015 and October 31, 2015 the Bank paid quarterly cash dividends to holders of Series 1 Preferred Shares at the rate of $0.175 per Series 1 Preferred Share. In addition, the Board has declared a quarterly cash dividend on the Series 1 Preferred Shares, payable on January 31, 2016, at the rate of $0.175 per Series 1 Preferred Share. The Bank anticipates that dividends at the rate of $0.175 per Series 1 Preferred Share will continue to be paid quarterly in 2016.

Holders of Series 3 Preferred Shares of the Bank are entitled to receive, as and when declared by the Board, fixed non-cumulative preferential cash dividends at the rate of $0.70 per share per annum, or $0.175 per share per quarter. Such dividends are paid quarterly on the last day of January, April, July and October in each year.

The Series 3 Preferred Shares were listed and posted for trading on the Toronto Stock Exchange on February 19, 2015. On June 25, 2015, an initial quarterly cash dividend was declared on the Series 3 Preferred Shares, payable on July 31, 2015, in the amount of $0.2992 per Series 3 Preferred Share. On October 31, 2015, the Bank paid a quarterly cash dividend to holders of Series 3 Preferred Shares at the rate of $0.175 per Series 1 Preferred Share. In addition, the Board has declared a quarterly cash dividend on the Series 3 Preferred Shares, payable on January 31, 2016, at the rate of $0.175 per Series 3 Preferred Share. The Bank anticipates that dividends at the rate of $0.175 per Series 3 Preferred Share will continue to be paid quarterly in 2016.

DESCRIPTION OF CAPITAL STRUCTURE

The Bank is authorized to issue an unlimited number of Common Shares and an unlimited number of non-voting preferred shares of the Bank, issuable in series ("Preferred Shares"). Below is a summary of the Bank's share capital. This is qualified in its entirety by the Bank's by-laws and the actual terms and conditions of such shares.

Common Shares

There were 19,437,171 Common Shares outstanding at October 31, 2015.

Holders of the Bank's Common Shares are entitled to vote at all meetings of shareholders, except for meetings at which only holders of another specified class or series of shares of the Bank are entitled to vote separately as a class or series.

Holders of the Bank's Common Shares are entitled to receive dividends as and when declared by the Board, subject to the preference of the Preferred Shares.

In the event of the dissolution, liquidation or winding-up of the Bank, subject to the prior rights of the holders of Preferred Shares, and after payment of all outstanding debts, the holders of Common Shares will be entitled to receive the remaining property and assets of the Bank.

Preferred Shares

Preferred Shares may be issued, at any time or from time to time, in one or more series with such rights, privileges, restrictions and conditions as the board of directors may determine, subject to the *Bank Act*, the Bank's by-laws and any required regulatory approval.

Except with respect to amendments to the rights, privileges, restrictions or conditions of the Preferred Shares, as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Preferred Shares, the holders of the Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Bank.

Each series of Preferred Shares ranks on a parity with every other series of Preferred Shares with respect to dividends and return of capital. The Preferred Shares are entitled to a preference over the Common

Shares, and any other shares ranking junior to the Preferred Shares, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank.

The Preferred Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined by the Board in the case of such series of Preferred Shares.

The Bank's Board has authorized the issuance of an unlimited number of Series 1 Preferred Shares, an unlimited number of non-cumulative floating rate preferred shares, series 2 of the Bank ("Series 2 Preferred Shares"), an unlimited number of Series 3 Preferred Shares, and unlimited number of non-cumulative floating rate preferred shares, series 4 of the Bank ("Series 4 Preferred Shares").

The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Series 1 Preferred Shares, the Series 2 Preferred Shares, the Series 3 Preferred Shares, and the Series 4 Preferred Shares, each as a series, and are in addition to those rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class.

Series 1 Preferred Shares

There were 1,461,460 Series 1 Preferred Shares outstanding on October 31, 2015.

During the initial five-year period ending October 31, 2019, holders of Series 1 Preferred Shares are entitled to receive preferential, non-cumulative, 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, at 7.0% per annum. Thereafter, the dividend rate will reset every five years at a level of 543 basis points over the then 5-year Government of Canada bond yield.

The Series 1 Preferred Shares are not redeemable prior to October 31, 2019. The Bank may, at its option, redeem for cash all or any part of the then outstanding Series 1 Preferred Shares, on October 31, 2019 and on October 31 every five years thereafter, at a price equal to $10.00 per share together with all declared and unpaid dividends to the date fixed for redemption. All such redemptions are subject to the provisions of applicable securities law, the rules of the Toronto Stock Exchange and the *Bank Act*, and to the prior consent of the Superintendent.

Holders of Series 1 Preferred Shares will have the right to elect to convert, subject to certain conditions, any or all of their Series 1 Preferred Shares into an equal number of Series 2 Preferred Shares, on October 31, 2019 and on October 31 every five years thereafter ("Series 1 Conversion Date"). Holders of Series 1 Preferred Shares will not be entitled to convert their shares into Series 2 Preferred Shares if the Bank determines that there would remain outstanding on a Series 1 Conversion Date less than 200,000 Series 2 Preferred Shares. In addition, if the Bank determines that there would remain outstanding on a Series 1 Conversion Date less than 200,000 Series 1 Preferred Shares, then all, but not part, of the remaining outstanding Series 1 Preferred Shares will automatically be converted into an equal number of Series 2 Preferred Shares on the applicable Series 1 Conversion Date.

Upon the occurrence of a Trigger Event, as set out in the Office of the Superintendent of Financial Institutions Canada ("OSFI") 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, each Series 1 Preferred Share will be automatically converted, without the consent of the holders, into newly issued, fully-paid Common Shares of the Bank, the number of which is determined by the conversion formula outlined in the Series 1 Preferred Shares terms and conditions ("Series 1 Contingent Conversion").

Subject to the provisions of applicable securities law, the rules of Toronto Stock Exchange and the *Bank Act*, as applicable, and to the prior consent of the Superintendent, the Bank may purchase for cancellation at any time all, or from time to time any part, of the Series 1 Preferred Shares then outstanding by private contract or in the open market or by tender at the lowest price or prices at which in the opinion of the Board such shares are obtainable.

In the event of the liquidation, dissolution or winding-up of the Bank, provided that a Series 1 Contingent Conversion has not occurred, the holders of the Series 1 Preferred Shares will be entitled to receive $10.00 per Series 1 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or assets are distributed to holders of the Bank's Common Shares, or any other shares ranking junior to the Series 1 Shares. After payment of those amounts, the holders of Series 1 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Series 1 Contingent Conversion has occurred, all Series 1 Preferred Shares will have been converted into Common Shares which will rank on parity with all other Common Shares.

Holders of Series 1 Preferred Shares will not be entitled 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 has not declared the dividend in full on the Series 1 Preferred Shares in any quarter. In that event, the holders of the Series 1 Preferred Shares 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 1 Preferred Share held. Such voting rights will cease on payment in full by the Bank of the first dividend on the Series 1 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 1 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 taken by the Bank which requires the approval of the holders of Series 1 Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Series 2 Preferred Shares

The Series 2 Preferred Shares are part of the Bank's authorized share capital, but no shares in this series have been issued as at October 31, 2015.

Holders of Series 2 Preferred Shares will be entitled to receive quarterly floating dividends, as and when declared by the Board of Directors of the Bank, equal to the 90-day Government of Canada Treasury Bill rate plus 543 basis points.

The Series 2 Preferred Shares will not be redeemable prior to October 31, 2019. The Bank may, at its option, redeem for cash all or any part of the then outstanding Series 2 Preferred Shares on October 31, 2019 or any other date after October 31, 2019, other than an Excluded Redemption Date, at a price equal to $10.20 per share together with all declared and unpaid dividends to the date fixed for redemption. On October 31, 2024 and on October 31 every five years thereafter (each such date being an "Excluded Redemption Date"), the Bank may, at its option, redeem for cash all or any part of the then outstanding Series 2 Preferred Shares at a price equal to $10.00 per share together with all declared and unpaid dividends to the date fixed for redemption. All such redemptions are subject to the provisions of applicable securities law, the rules of the Toronto Stock Exchange and the *Bank Act*, and to the prior consent of the Superintendent.

Holders of Series 2 Preferred Shares will have the right to elect to convert, subject to certain conditions, any or all of their Series 2 Preferred Shares into an equal number of Series 1 Preferred Shares, on October 31, 2024 and on October 31 every five years thereafter ("Series 2 Conversion Date"). Holders of Series 2 Preferred Shares will not be entitled to convert their shares into Series 1 Preferred Shares if the Bank determines that there would remain outstanding on a Series 2 Conversion Date less than 200,000 Series 1 Preferred Shares. In addition, if the Bank determines that there would remain outstanding on a Series 2 Conversion Date less than 200,000 Series 2 Preferred Shares, then all, but not part, of the remaining outstanding Series 2 Preferred Shares will automatically be converted into an equal number of Series 1 Preferred Shares on the applicable Series 2 Conversion Date.

Upon the occurrence of a Trigger Event, as set out in the OSFI 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, each Series 2 Preferred Share will be automatically converted, without the consent of the holders, into newly issued, fully-paid Common Shares of the Bank, the number of which is determined by the conversion formula outlined in the Series 2 Preferred Shares terms and conditions ("Series 2 Contingent Conversion").

Subject to the provisions of applicable securities law, the rules of Toronto Stock Exchange and the *Bank Act*, as applicable, and to the prior consent of the Superintendent, the Bank may purchase for cancellation at any time all, or from time to time any part, of the Series 2 Preferred Shares then outstanding by private contract or in the open market or by tender at the lowest price or prices at which in the opinion of the Board such shares are obtainable.

In the event of the liquidation, dissolution or winding-up of the Bank, provided that a Series 2 Contingent Conversion has not occurred, the holders of the Series 2 Preferred Shares will be entitled to receive $10.00 per Series 2 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or assets are distributed to holders of the Bank's Common Shares, or any other shares ranking junior to the Series 2 Shares. After payment of those amounts, the holders of Series 2 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Series 2 Contingent Conversion has occurred, all Series 2 Preferred Shares will have been converted into Common Shares which will rank on parity with all other Common Shares.

Holders of Series 2 Preferred Shares will not be entitled 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 has not declared the dividend in full on the Series 2 Preferred Shares in any quarter. In that event, the holders of the Series 2 Preferred Shares 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 2 Preferred Share held. Such voting rights will cease on payment in full by the Bank of the first dividend on the Series 2 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 2 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 taken by the Bank which requires the approval of the holders of Series 2 Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Series 3 Preferred Shares

There were 1,681,320 Series 3 Preferred Shares outstanding on October 31, 2015.

During the initial six-year period ending April 30, 2021, holders of Series 3 Preferred Shares are entitled to receive preferential, non-cumulative, 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, at 7.0% per annum. Thereafter, the dividend rate will reset every five years at a level of 569 basis points over the then 5-year Government of Canada bond yield.

The Series 3 Preferred Shares are not redeemable prior to April 30, 2021. The Bank may, at its option, redeem for cash all or any part of the then outstanding Series 3 Preferred Shares, on April 30, 2021 and on April 30 every five years thereafter, at a price equal to $10.00 per share together with all declared and unpaid dividends to the date fixed for redemption. All such redemptions are subject to the provisions of applicable securities law, the rules of the Toronto Stock Exchange and the *Bank Act*, and to the prior consent of the Superintendent.

Holders of Series 3 Preferred Shares will have the right to elect to convert, subject to certain conditions, any or all of their Series 3 Preferred Shares into an equal number of Series 4 Preferred Shares, on April 30, 2021 and on April 30 every five years thereafter ("Series 3 Conversion Date"). Holders of Series 3 Preferred Shares will not be entitled to convert their shares into Series 4 Preferred Shares if the Bank determines that there would remain outstanding on a Series 3 Conversion Date less than 200,000 Series 4

Preferred Shares. In addition, if the Bank determines that there would remain outstanding on a Series 3 Conversion Date less than 200,000 Series 3 Preferred Shares, then all, but not part, of the remaining outstanding Series 3 Preferred Shares will automatically be converted into an equal number of Series 4 Preferred Shares on the applicable Series 3 Conversion Date.

Upon the occurrence of a Trigger Event, as set out in the OSFI 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, each Series 3 Preferred Share will be automatically converted, without the consent of the holders, into newly issued, fully-paid Common Shares of the Bank, the number of which is determined by the conversion formula outlined in the Series 3 Preferred Shares terms and conditions ("Series 3 Contingent Conversion").

Subject to the provisions of applicable securities law, the rules of Toronto Stock Exchange and the *Bank Act*, as applicable, and to the prior consent of the Superintendent, the Bank may purchase for cancellation at any time all, or from time to time any part, of the Series 3 Preferred Shares then outstanding by private contract or in the open market or by tender at the lowest price or prices at which in the opinion of the Board such shares are obtainable.

In the event of the liquidation, dissolution or winding-up of the Bank, provided that a Series 3 Contingent Conversion has not occurred, the holders of the Series 3 Preferred Shares will be entitled to receive $10.00 per Series 3 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or assets are distributed to holders of the Bank's Common Shares, or any other shares ranking junior to the Series 3 Shares. After payment of those amounts, the holders of Series 3 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Series 3 Contingent Conversion has occurred, all Series 3 Preferred Shares will have been converted into Common Shares which will rank on parity with all other Common Shares.

Holders of Series 3 Preferred Shares will not be entitled 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 has not declared the dividend in full on the Series 3 Preferred Shares in any quarter. In that event, the holders of the Series 3 Preferred Shares 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 3 Preferred Share held. Such voting rights will cease on payment in full by the Bank of the first dividend on the Series 3 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 3 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 taken by the Bank which requires the approval of the holders of Series 3 Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Series 4 Preferred Shares

The Series 4 Preferred Shares are part of the Bank's authorized share capital, but no shares in this series have been issued as at October 31, 2015.

Holders of Series 4 Preferred Shares will be entitled to receive quarterly floating dividends, as and when declared by the Board of Directors of the Bank, equal to the 90-day Government of Canada Treasury Bill rate plus 569 basis points.

The Series 4 Preferred Shares will not be redeemable prior to April 30, 2021. The Bank may, at its option, redeem for cash all or any part of the then outstanding Series 4 Preferred Shares on April 30, 2021 or any other date after April 30, 2021, other than a Series 4 Excluded Redemption Date, at a price equal to $10.20 per share together with all declared and unpaid dividends to the date fixed for redemption. On April 30, 2026 and on April 30 every five years thereafter (each such date being an "Series 4 Excluded Redemption Date"), the Bank may, at its option, redeem for cash all or any part of the then outstanding Series 4 Preferred Shares at a price equal to $10.00 per share together with all declared and unpaid dividends to the date fixed for redemption. All such redemptions are subject to the provisions of applicable securities law, the rules of the Toronto Stock Exchange and the *Bank Act*, and to the prior consent of the Superintendent.

Holders of Series 4 Preferred Shares will have the right to elect to convert, subject to certain conditions, any or all of their Series 4 Preferred Shares into an equal number of Series 3 Preferred Shares, on April 30, 2026 and on April 30 every five years thereafter ("Series 4 Conversion Date"). Holders of Series 4 Preferred Shares will not be entitled to convert their shares into Series 3 Preferred Shares if the Bank determines that there would remain outstanding on a series 4 Conversion Date less than 200,000 Series 3 Preferred Shares. In addition, if the Bank determines that there would remain outstanding on a Series 4 Conversion Date less than 200,000 Series 4 Preferred Shares, then all, but not part, of the remaining outstanding Series 4 Preferred Shares will automatically be converted into an equal number of Series 3 Preferred Shares on the applicable Series 4 Conversion Date.

Upon the occurrence of a Trigger Event, as set out in the OSFI 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, each Series 4 Preferred Share will be automatically converted, without the consent of the holders, into newly issued, fully-paid Common Shares of the Bank, the number of which is determined by the conversion formula outlined in the Series 4 Preferred Shares terms and conditions ("Series 4 Contingent Conversion").

Subject to the provisions of applicable securities law, the rules of Toronto Stock Exchange and the *Bank Act*, as applicable, and to the prior consent of the Superintendent, the Bank may purchase for cancellation at any time all, or from time to time any part, of the Series 4 Preferred Shares then outstanding by private contract or in the open market or by tender at the lowest price or prices at which in the opinion of the Board such shares are obtainable.

In the event of the liquidation, dissolution or winding-up of the Bank, provided that a Series 4 Contingent Conversion has not occurred, the holders of the Series 4 Preferred Shares will be entitled to receive $10.00 per Series 4 Preferred Share held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or assets are distributed to holders of the Bank's Common Shares, or any other shares ranking junior to the Series 4 Shares. After payment of those amounts, the holders of Series 4 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank. If a Series 4 Contingent Conversion has occurred, all Series 4 Preferred Shares will have been converted into Common Shares which will rank on parity with all other Common Shares.

Holders of Series 4 Preferred Shares will not be entitled 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 has not declared the dividend in full on the Series 4 Preferred Shares in any quarter. In that event, the holders of the Series 4 Preferred Shares 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 4 Preferred Share held. Such voting rights will cease on payment in full by the Bank of the first dividend on the Series 4 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 4 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 taken by the Bank which requires the approval of the holders of Series 4 Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Constraints

The *Bank Act* contains restrictions on the issue, transfer, acquisition and beneficial ownership of all shares of a chartered bank. For example, if a bank has equity of $12 billion or more, no person shall be a major shareholder of the bank, which includes a shareholder which owns, directly or indirectly, more than 20% of its outstanding voting shares of any class or more than 30% of its outstanding non-voting shares of any class. The Bank does not meet this equity threshold and thus this restriction does not currently apply to the Bank.

Further, no person shall have a significant interest in any class of shares of a bank unless the person first receives the approval of the Minister of Finance (Canada). Ownership, directly or indirectly, of more than 10% of any class of shares of a bank constitutes a significant interest. No person, other than PWC, has a significant interest in any class of shares of the Bank.

The Bank will monitor the above constraints on shareholdings through various means including completion of Declaration of Ownership Forms for shareholder certificate transfer requests. If any person contravenes the above constraints on shareholdings, neither such person, nor any entity controlled by the particular person, may exercise any voting rights until the shares to which the constraint relates are disposed of. Additionally, the terms and conditions of the Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, and Series 4 Preferred Shares include specific mechanics by which the Bank is permitted to facilitate a sale of shares on behalf of such persons that are prohibited from taking delivery of shares issued upon a conversion.

The *Bank Act* prohibits the registration of a transfer or issue of any shares of the Bank to, and the exercise, in person or by proxy, of any voting rights attached to any share of the Bank that is beneficially owned by, Her Majesty in right of Canada or of a province or any agent or agency of Her Majesty in either of those rights, or to the government of a foreign country or any political subdivision, agent or agency of any of them.

Under the *Bank Act*, the Bank is prohibited from redeeming or purchasing any of its shares or its subordinated debt, unless the consent of the Superintendent has been obtained. In addition, the *Bank Act* prohibits the Bank from purchasing or redeeming any shares or paying any dividends if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of the *Bank Act* requirement to maintain, in relation to the Bank's operations, adequate capital and appropriate forms of liquidity and to comply with any regulations or directions of the Superintendent in relation thereto.

MARKET FOR SECURITIES

The Bank’s securities are listed and posted for trading on the Toronto Stock Exchange. As previously noted, the Bank’s Series 1 Preferred Shares were listed and posted for trading on the Toronto Stock Exchange on October 30, 2014 and the Bank’s Series 3 Preferred Shares were listed and posted for trading on the Toronto Stock Exchange on February 19, 2015.

The trading symbols are as follows:

Common Shares	-	PWB
Series 1 Preferred Shares	-	PWB.PR.A
Series 3 Preferred Shares	-	PWB.PR.B

COMMON SHARES				SERIES 1 PREFERRED SHARES			SERIES 3 PREFERRED SHARES		
Month	High	Low	Trading Volume	High	Low	Trading Volume	High	Low	Trading Volume
Oct 2015	$5.69	$4.16	90,322	$10.30	$9.95	4,362	$10.13	$9.66	8,390
Sep 2015	$5.00	$4.07	33,841	$10.40	$9.90	10,831	$10.10	$9.57	17,528
Aug 2015	$5.47	$4.62	69,036	$10.10	$9.80	10,257	$10.33	$9.25	21,055
Jul 2015	$5.50	$5.00	95,798	$10.00	$9.80	14,475	$10.33	$9.50	13,350
Jun 2015	$5.79	$5.31	141,602	$10.50	$10.30	2,100	$10.30	$9.65	40,570
May 2015	$6.20	$5.50	41,929	$10.30	$9.71	9,700	$10.25	$9.91	30,109
Apr 2015	$6.27	$5.82	32,804	$10.28	$9.98	44,925	$10.25	$10.05	25,271
Mar 2015	$6.45	$5.70	79,492	$10.25	$9.93	27,972	$10.33	$9.60	59,714

COMMON SHARES				SERIES 1 PREFERRED SHARES			SERIES 3 PREFERRED SHARES		
Month	High	Low	Trading Volume	High	Low	Trading Volume	High	Low	Trading Volume
Feb 2015	$5.98	$5.51	62,037	$10.10	$9.85	8,332	$10.40	$9.80	18,500
Jan 2015	$6.60	$5.60	174,233	$10.15	$9.90	39,246			
Dec 2014	$6.24	$5.76	71,806	$10.70	$10.00	15,300			
Nov 2014	$6.33	$5.56	100,668	$10.19	$9.53	27,475			

DIRECTORS

The names, municipalities of residence, positions held with the Bank, and principal occupations of its directors, as of January 26, 2016, are as follows:

Name	Office Held and Time as Director	Principal Occupation
Honourable Thomas A. Hockin, P.C. Toronto, Ontario	Chairman Director since August 21, 2014	Retired, former Executive Director of the International Monetary Fund
David R. Taylor(4) Ilderton, Ontario	President and Chief Executive Officer Director since January 18, 1993	President and Chief Executive Officer of PWC and the Bank
Robbert-Jan Brabander (2) Richmond Hill, Ontario	Director since November 4, 2009	Former Chief Financial Officer & Treasurer, General Motors of Canada Limited
David A. Bratton (3) London, Ontario	Director since September 23, 1993	President, Bratton Consulting Inc.
Arnold E. Hillier (2)(3) Saskatoon, Saskatchewan	Director since December 3, 2002	Retired, former Chairman, Chief Executive Officer and Chief Financial Officer, Claude Resources Inc.
Colin E. Litton (1)(2) Oakville, Ontario	Director since June 1, 2010	Retired, former senior partner of KPMG LLP
Susan T. McGovern (3) Gormley, Ontario	Director since May 6, 2011	Vice-President, External Relations, University of Ontario Institute of Technology
Paul G. Oliver (1)(4) Markham, Ontario	Director since June 2, 2005	Retired, former senior partner of PricewaterhouseCoopers LLP
R.W. (Dick) Carter(1) Regina, Saskatchewan	Director since December 1, 2014	Retired, former Chief Executive Officer of the Crown Investments Corporation of Saskatchewan

(1) Member of the Audit Committee.
(2) Member of the Risk Oversight Committee.
(3) Member of the Conduct Review, Governance & HR Committee.
(4) This person is also currently a Director of PWC.

Directors are elected annually and hold office until the next annual meeting of shareholders.

OFFICERS

The names, municipalities of residence, positions held with the Bank, and principal occupations of its officers, as of January 26, 2016, are as follows:

Name	Office Held	Principal Occupation
David R. Taylor Ilderton, Ontario	President and Chief Executive Officer	President and Chief Executive Officer of the Bank and PWC
Barry D. Walter Saskatoon, Saskatchewan	Senior Vice-President and Chief Financial Officer	Senior Vice-President and Chief Financial Officer of the Bank
R. Shawn Clarke Ilderton, Ontario	Senior Vice-President and Chief Operating Officer	Chief Operating Officer of the Bank
Maurice A. Danis [(1)] Waterloo, Ontario	Senior Vice-President, Structured & Corporate Finance	Senior Vice-President of the Bank
Ross P. Duggan London, Ontario	Senior Vice-President, Lending	Senior Vice-President of the Bank
Nick Kristo London, Ontario	Senior Vice-President, Credit and Chief Risk Officer	Chief Risk Officer of the Bank
Jonathan F.P. Taylor Saskatoon, Saskatchewan	Senior Vice-President, Deposit Services & Human Resources	Senior Vice-President of the Bank
Brian A. Conley Calgary, Alberta	Vice-President, Credit	Vice-President of the Bank
Michael Dixon London, Ontario	Vice-President, Consumer Lending	Vice-President of the Bank
Stephanie Francis Saskatoon, Saskatchewan	Vice-President, Finance & Accounting	Vice-President of the Bank
Joanne Johnston Saskatoon, Saskatchewan	Chief Internal Auditor	Chief Internal Auditor of the Bank
Aly Lalani London, Ontario	Vice-President, Treasurer	Vice-President of the Bank
Tel Matrundola Thornhill, Ontario	Vice-President, Public & Corporate Affairs	Vice-President of the Bank
Kerry McDowell Virgil, Ontario	Vice-President, Credit Card Services	Vice-President of the Bank
Scott A. Mizzen London, Ontario	Vice-President, Real Estate Finance	Vice-President of the Bank
Cameron Mitchell [(1)] Kitchener, Ontario	Vice-President, General Counsel and Corporate Secretary	Corporate Secretary of the Bank

(1) Mr. Danis and Mr. Mitchell have held senior management positions with other Canadian financial institutions in the past 5 years.

At January 26, 2016, there were 19,437,171 issued and outstanding Common Shares of the Bank. The directors and senior officers of the Bank as a group beneficially own, directly or indirectly, or have control or direction over 460,719 Common Shares of the Bank, representing approximately 2.37% of the total number of Common Shares outstanding.

At January 26, 2016, there were 1,461,460 issued and outstanding Series 1 Preferred Shares of the Bank. The directors and senior officers of the Bank as a group beneficially own, directly or indirectly, or have control or direction over 9,850 Series 1 Preferred Shares of the Bank, representing approximately 0.67% of the total number of Series 1 Preferred Shares outstanding.

At January 26, 2016, there were 1,681,320 issued and outstanding Series 3 Preferred Shares of the Bank. The directors and senior officers of the Bank as a group beneficially own, directly or indirectly, or have control or direction over 4,900 Series 3 Preferred Shares of the Bank, representing approximately 0.29% of the total number of Series 3 Preferred Shares outstanding.

PROMOTERS

The only person or company that is, or has been within the immediate two preceding years, a promoter of the Bank or a subsidiary of the Bank under applicable securities laws is PWC. The number and percentage of each class of voting securities and equity securities of the Bank or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by PWC are as follows:

Designation of Class	Type of Ownership	Number of Securities	Percentage of Securities
Common Shares	Of record and beneficial	12,652,529	65%

During the Bank's initial public offering in August, 2013, PWC completed a secondary offering wherein it sold 1,100,000 Common Shares of the Bank. Using the proceeds of the secondary offering, immediately following closing, PWC subscribed for 620,206 Common Shares of the Bank. From time to time, PWC may dispose of portions of its holdings of Common Shares of the Bank.

The cost of adding the secondary offering to the Bank's initial public offering was not material to the overall expenses of the offering. Accordingly, the Bank and PWC agreed that the Bank would pay the total expenses related to the offering.

Prior to March 7, 2013, PWC held $30.0 million of subordinated notes issued by the Bank. On March 7, 2013, the Bank fully repaid the $30.0 million of subordinated debt of the Bank owing to PWC. In turn, PWC used the proceeds to subscribe for an additional 4,137,931 Common Shares of the Bank.

PWC and the Bank entered into a management agreement on November 1, 2003 wherein PWC agreed to act as an interface to the public financing markets for the benefit of the Bank to allow for additional funds to be raised by PWC, with such proceeds to be invested in the Bank in the form of equity or subordinated notes. The Bank agreed to pay PWC an annual management fee based on the actual costs incurred by PWC for acting in this capacity. This management agreement was amended on August 16, 2013 to become the Management Services Agreement. The terms of the Management Services Agreement were substantially similar to the management agreement referenced above, except it also included a provision of management services and other personnel by the Bank to PWC, as required, and for the payment of a fee by PWC to the Bank in respect of such services. In fiscal 2013 and fiscal 2014 approximately $561,000 and $380,000, respectively, was paid by the Bank to PWC pursuant to the Management Services Agreement. The Management Services Agreement was terminated effective November 1, 2014.

The Bank and Versabanq, a wholly-owned subsidiary of PWC, are parties to a Software License Agreement, pursuant to which the Bank has been granted a non-exclusive, worldwide, perpetual, fully paid-up, royalty-free, and irrevocable license in respect of asset and deposit management software used by the Bank. PWC acquired this software from the Bank on April 30, 2008, which at that time had a book value of $1.2 million, as a result of a dividend in kind of the software from the Bank to PWC. PWC subsequently assigned this software to Versabanq. The predecessor agreement to the Software License Agreement, pursuant to which the Bank paid to Versabanq a monthly software licensing fee of $50,000, was scheduled to expire on August 1, 2013. Prior to the expiry of the predecessor agreement, the Bank and Versabanq entered into the Software License Agreement wherein the Bank acquired a perpetual term license upon pre-payment of a one-time licensing fee of $3 million. The one-time license fee of $3 million was paid by the Bank on May 31, 2013.

At a meeting of Series C Noteholders held on March 7, 2013, PWC obtained approval to modify its Series C Note indenture. The modifications provide that PWC has the option provided that, as at June 30, 2014, the Bank had completed its IPO and the Bank's Common Shares were listed on the TSX, to satisfy all future interest obligations of its issued and outstanding Series C Notes either in cash or in-kind in the form of a transfer of Common Shares of the Bank held by PWC. The number of Common Shares of the Bank to be transferred to satisfy any in-kind payments on PWC's Series C Notes is based on a five day volume weighted average trading price of the Bank's Common Shares on the TSX as of the payment date. Additionally, the Series C Note indenture was modified to make, at the option of the holder, the Series C Notes convertible into Common Shares of the Bank held by PWC. The conversion price is fixed at the greater of $10.00 per common share or the IPO price of the Bank’s Common Shares until October 16, 2016, and thereafter at the greater of $12.00 per common share or the IPO price of the Bank’s Common Shares until maturity of the Series C Notes on October 16, 2018.

In accordance with these modifications to the Series C Note indenture, PWC elected to make the interest payments on its Series C Notes on June 30, 2014, December 31, 2014, June 30, 2015 and on December 31, 2015 by way of a transfer of Common Shares of the Bank held by PWC. These interest payments resulted in a transfer of the following amounts of Common Shares of the Bank held by PWC to PWC’s Series C Noteholders:

June 30, 2014	458,000
December 31, 2014	471,266
June 30, 2015	509,579
December 31, 2015	493,725

On June 30, 2014 and on September 4, 2014, PWC transferred a total of 51,222 Common Shares of the Bank held by PWC to settle amounts owing to former directors resulting from deferred share units of PWC held by those directors. On May 11, 2015, PWC also transferred a total of 335,900 common shares of the Bank held by PWC to repay notes payable totaling $2,420,000.

TRANSFER AGENT

The Bank’s registrar and transfer agent is Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario M5J 2Y1.

EXPERTS

The Bank’s auditors are KPMG LLP Suite 500, 475 Second Avenue South, Saskatoon, Saskatchewan S7K 1P4.

AUDIT COMMITTEE INFORMATION

The Mandate of the Audit Committee of the Bank is attached to this AIF as Exhibit A.

The members of the Audit Committee are: R.W. (Dick) Carter (Chair), Colin E. Litton and Paul G. Oliver. Each member of the Audit Committee is both independent and financially literate, as such terms are defined in Canadian securities legislation.

Prior to his retirement, Mr. Carter was the Chief Executive Officer of Crown Investments Corporation of Saskatchewan, a holding company for the province's commercial Crown Corporations, and held another senior position in the Saskatchewan government. Mr. Carter is also a retired former partner of KPMG LLP and has over 30 years audit experience, including experience in the financial services industry. Mr. Carter earned a Bachelor of Commerce degree from the University of Saskatchewan in 1971, graduated from the Queens University Executive Program in 1996, and graduated as a Chartered Director (C.Dir.) from McMaster University and the Conference Board of Canada in 2013. In addition, Mr. Carter became a Fellow of the Institute of Chartered Accountants of Saskatchewan in 1998 and is a Member of Institutes of Chartered Accountants of Saskatchewan and Alberta.

Mr. Litton is a retired senior partner of KPMG LLP where he was the National Director of the Banking and Finance practice. His career with KPMG since qualifying in the United Kingdom has included service in South Africa, Australia and Canada where his primary responsibility was the provision of audit and advisory services to clients in the banking and financial services industry. He is a Fellow of the Institute of Chartered Accountants of Ontario and a Certified Director of the Institute of Corporate Directors.

Mr. Oliver is a retired senior partner of PricewaterhouseCoopers LLP in the Financial Services Industry Practice. His practice focused on Assurance, Financial Reporting and Business Advisory services, covering a broad range of organizations, with a focus in the regulated financial services industry. Mr. Oliver was admitted to the Institute of Chartered Accountants in England and Wales in 1968. He became a Fellow of the Institute of Chartered Accountants of Ontario in 2003, after having been admitted to membership in 1971. Mr. Oliver is a Certified Director of the Institute of Corporate Directors.

The Bank's Board of Directors has approved an Audit Services Policy which provides that the Audit Committee shall pre-approve non-audit services and audit and non-audit related fees to be provided by the external auditor on a case-by-case basis.

Audit Fees

Audit fees paid to KPMG LLP during the year ended October 31, 2015 for the Bank were $307,000 and during the year ended October 31, 2014 were $285,000.

Audit-Related Fees

Audit-related fees paid to KPMG LLP during the year ended October 31, 2015 for the Bank were $313,500 and during the year ended October 31, 2014 were $159,000.

Tax Fees

Fees paid to KPMG LLP for tax related services during the year ended October 31, 2015 for the Bank were $25,000 and during the year ended October 31, 2014 were $33,000.

No other fees were paid to KPMG LLP during the years ended October 31, 2015 or October 31, 2014.

ADDITIONAL INFORMATION

Additional information regarding the Bank may be found on SEDAR at http://www.sedar.com or at http://www.pwbank.com.

Information, including directors' and officers' remuneration and indebtedness, principal holders of the Bank's securities, and securities authorized for issuance under equity compensation plans will be contained in the Management Proxy Circular for the Annual and Special Meeting of Shareholders being held on April 27, 2016. Additional financial information is provided in the Bank's comparative financial statements and MD&A for the year ended October 31, 2015.

EXHIBIT A

MANDATE OF THE AUDIT COMMITTEE

1. The Audit Committee shall consist of not less than three directors, each of whom must be independent.[1] [3]

2. Each member of the Audit Committee must be financially literate.[2] [3]

3. The Audit Committee shall meet at least once a quarter, and otherwise as required, and, at the next following meeting of the Board of Directors, provide the Board with a summary of the matters discussed.

4. The members of the Audit Committee are charged with the following duties:

General Duties

a) review such documents as needed to comply with regulatory requirements, and report to the Board of Directors where approval of the documents by the Board is required;

b) require management to implement and maintain appropriate internal control procedures;

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[1] Independence means having no direct or indirect material relationship with the Bank. A material relationship means a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the member's independent judgment. Notwithstanding the above, an individual is considered to have a material relationship with the Bank in a number of situations enumerated in N1 52-110, including if the individual accepts directly or indirectly any consulting, advisory or other compensatory fee from the Bank or any subsidiary entity of the Bank other than as remuneration for acting in his or her capacity as a member of the Board or any Committee or as a part-time Chair or Vice-Chair of the Board or any Committee.

[2] Financially literate means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of accounting issues that can reasonably be expected to be raised by the financial statements.

[3] If the death, disability or resignation of a member has resulted in a vacancy on the Committee that the Board is required to fill, a Committee member appointed to fill such vacancy is exempt from the requirement for a period ending on the later of the next annual meeting and the date that is six months from the day the vacancy was created, so long as the Board has determined that a reliance on this exemption will not materially adversely affect the ability of the Committee to act independently and to satisfy its other requirements.

c) review new accounting policies and amendments to existing accounting policies before recommending them to the Board of Directors for approval;

d) review, evaluate and approve the internal control procedures;

e) approve the interim quarterly financial statements and MD&A;

f) concur with the annual financial statements and the annual MD&A before recommending them to the Board of Directors for approval;

g) review the interim and annual earnings press releases before public disclosure;

h) review the Annual Information Form before recommending it to the Board of Directors for approval;

i) review the Monthly Reporting Package for the most recent quarter for which interim quarterly financial statements for the Bank are being issued;

j) review such investments and transactions that could adversely affect the well-being of the Bank as the auditor or auditors or any officer may bring to the attention of the Committee;

k) on an annual basis review the policies and procedures relating to matters falling under the Mandate of the Audit Committee and report to the Board of Directors;

l) review and recommend to the Board for approval the annual ICAAP document of the Bank;

<u>Disclosure</u>

m) concur with the Mandate of the Disclosure Committee before recommending it to the Board of Directors for approval;

n) review the Corporate Disclosure Policy and all amendments thereto before recommending it to the Board of Directors for approval;

o) review the Disclosure Controls and Procedures;

Technology and Contingency Arrangements

p) review annually the Information Technology Executive Summary and receive regular updates on the status of IT projects;

q) review annually the Bank's disaster/contingency plans;

Complaints and Confidential Reporting

r) establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters;

s) establish procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

Anti-Money Laundering and Anti-Terrorist Financing

t) review the Bank's anti-money laundering and anti-terrorist financing ("AML/ATF") policy, and all changes to the policy, and recommend same to the Board of Directors for approval;

u) receive information from the Bank's Chief Anti-money Laundering Officer ("CAMLO") on the inherent money laundering ("ML") and terrorist-financing ("TF") risks associated with the Bank's activities;

v) receive information from the CAMLO on self-assessments of the ML and TF risk controls implemented by the Bank;

w) receive an annual report from the CAMLO on compliance with the Bank's AML/ATF policy;

x) receive reports from the CAMLO as to transactions reported to FINTRAC or submitted to any law enforcement agency;

y) receive information from the CAMLO on significant changes to AML/ATF legislative requirements;

z) receive results of the Internal Auditor's independent effectiveness testing of the Bank's AML/ATF program at least once every two years;

aa) report to the Board of Directors on information and reports received from the CAMLO and the Internal Auditor;

bb) review, at least annually, the Bank's policies and procedures with respect to capital management, anti-money laundering and internal control, and receive management reports regarding adherence to same;

Internal Audit

cc) review and concur in the appointment, replacement or dismissal of the Internal Auditor;

dd) concur with the Mandate of the Internal Auditor before recommending it to the Board of Directors for approval;

ee) annually approve a comprehensive risk-based audit plan as submitted by the Internal Auditor;

ff) ensure there are no unjustified restrictions or limitations on the Internal Audit function;

gg) review all internal audit reports as submitted by the Internal Auditor;

hh) receive updates from the Internal Auditor on the status of management's implementation of the recommendations within the internal audit reports;

ii) meet with the Internal Auditor and with management to discuss the effectiveness of the internal control procedures established;

jj) meet with the Internal Auditor in camera at the conclusion of each regularly scheduled meeting of the Committee;

External Audit

kk) concur with the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services before recommending them to the Board of Directors;

ll) meet with the external auditor to review the Audit Planning Memorandum and annually approve the Audit Planning Memorandum;

mm) concur with the compensation of the external auditor before recommending it to the Board of Directors for approval;

nn) pre-approve services and expenditures to the external auditor, in accordance with the Audit Services Policy;

oo) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditor regarding financial reporting;

pp) meet with the external auditor or auditors to discuss the annual financial statements and the returns and transactions referred to in this Mandate;

qq) annually review all amounts paid to the external auditor and other accounting firms in the previous year;

rr) identify, evaluate by performing annual assessments and periodic comprehensive assessments and, where appropriate, recommend to the shareholder(s), replacement of the external auditor;

ss) annually report to the Board on the effectiveness of the external auditor;

tt) concur with hiring policies regarding partners, employees and former partners and employees of the present and former external auditor before recommending them to the Board of Directors for approval;

uu) concur with the hiring of a partner, employee or former partner or employee of the present or former external auditor before recommending it to the Board of Directors for approval;

vv) meet with the external auditor in camera at the conclusion of each regularly scheduled meeting of the Committee;

Other Duties

ww) institute and oversee special investigations, as needed;

xx) perform other activities related to the Mandate as requested by the Board of Directors; and

yy) confirm annually that all responsibilities outlined in the Mandate have been carried out.

5. The Audit Committee has the authority to:

a) communicate directly with the internal and external auditors;

b) engage independent counsel and other advisors as determined necessary; and

c) set and pay the compensation for any advisors employed by the Audit Committee, provided such compensation does not exceed $10,000 in any fiscal year. Should the compensation of outside counsel or other advisor exceed $10,000 in any fiscal year, the prior approval of the full Board of Directors will be required.