



# Investment Case Study

## Sale of AgriFinancial Canada Corp.

January 30, 2009

# Forward Looking Statements



This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue", similar words or the negative thereof, or variations of such words and phrases that certain actions, events or anticipated outcomes "may", "would" or "might" be taken, occur or be achieved. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Forward-looking statements are based on certain material factors and assumptions that were applied in drawing a conclusion or making a forecast or projection and current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about operations, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could and, at times, do differ materially from those expressed or implied by forward-looking statements made by us. We caution that risk factors discussed in applicable continuous disclosure filings required by law that C.A. Bancorp Inc. has made on SEDAR should also be considered carefully and that undue reliance not be placed on forward-looking statements as events and results could differ materially from those expressed or implied by forward-looking statements made by us.

We do not undertake, and specifically disclaim, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

**In October 2007, C.A. Bancorp<sup>1</sup> invested \$10.5 million to acquire the businesses of Agrifinance and AgriCard to form AgriFinancial Canada Corp.**



## **Original Investment Thesis:**

- Well established businesses in an upward trending Canadian agricultural sector
- Recurring revenue from a diversified portfolio of agriculture-related loans
- Strong management team committed to growing the business
- Attractive asset to a strategic buyer in the future

1. C.A. Bancorp invested \$9.5 million and the Sentry Select Total Strategy Fund, a fund managed by C.A. Bancorp, invested \$1.0 million.

**C.A. Bancorp, as owner, enabled management to implement a series of initiatives over the past year.**

## **Growth**

Invested in a series of growth initiatives to increase AgriFinancial's market share.

## **Product Update**

Sponsored management in renewing AgriFinancial's existing portfolio of products to increase competitiveness and product differentiation.

## **Compensation**

Revised the compensation structure to align management and the employees with the company's financial objectives.

**Through these initiatives, AgriFinancial's loan portfolios grew by 15% and financial performance improved<sup>1</sup>.**

1. Year over year basis, commencing October 2007.

**In September 2008, C.A. Bancorp announced it had entered into a share purchase agreement to sell AgriFinancial to Western Financial Group (WFG).**



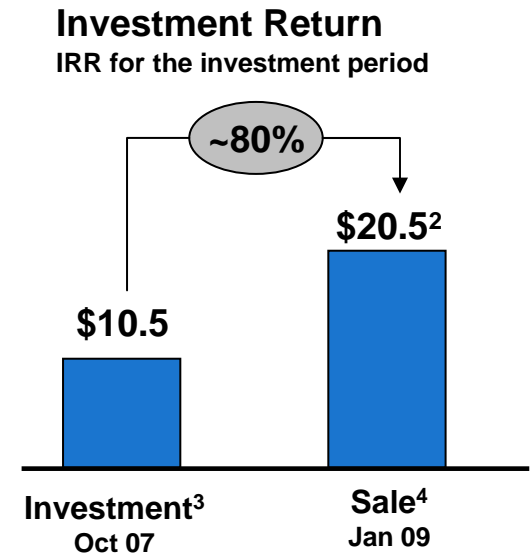
## **Transaction Details:**

- WFG is a publicly-traded financial services firm servicing over 400,000 individuals and businesses in Western Canada
- AgriFinancial has strategic value to WFG as it offers agricultural lending capabilities and an expanded customer base
- The sale price is approximately \$21.0 million
- Closed the transaction on January 30, 2009



## Beyond the exceptional return on invested capital, the AgriFinancial transaction generates other benefits to C.A. Bancorp.

- Validates our thesis around private equity investing
- Return on investment represents an additional \$0.24 per share<sup>1</sup>
- Strengthens C.A. Bancorp's balance sheet with additional cash available for reinvestment



**The benefits to C.A. Bancorp and its shareholders are compelling.**

1. Assumes the return on investment is treated as capital gains.

2. Sale proceeds net of transaction costs.

3. C.A. Bancorp Inc. invested \$9.5 million and Sentry Select Total Strategy Fund invested \$1.0 million.

4. Transaction closed on January 30, 2009.