



# Western Financial Group

## PRESS RELEASE

### **WESTERN FINANCIAL GROUP ANNOUNCES CLOSING OF FIRST PREFERRED SHARE, SERIES FIVE OFFERING**

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**High River, Alberta, September 3, 2009** - Western Financial Group Inc. ("Western Financial Group" or the "Company") is pleased to announce that it has closed the maximum amount of its offering of first preferred shares, series five (the "Preferred Shares") and as a result, has issued 300,000 Preferred Shares for gross proceeds of \$30,000,000. Net proceeds from the offering will be used for general corporate purposes and to fund ongoing capital requirements for the Company's subsidiaries.

The Preferred Shares will be entitled to fixed cumulative preferential cash dividends, if, as and when declared by the Company's board of directors at a rate of \$9.00 per share per annum, to accrue from the date of original issue, payable in equal instalments of \$4.50 per share on March 31 and September 30 of each year until (and including) March 31, 2015. The Preferred Shares will be convertible into the Company's common shares at any time at the holder's option at a price of \$2.81 per common share. The Preferred Shares will be redeemable by the Company at its option only after September 30, 2012. Redemption from September 30, 2012 and prior to September 30, 2014 will be at a redemption price equal to \$100 per Preferred Share plus all accrued or declared and unpaid dividends, provided that the common shares of the Company are trading at a price in excess of 135% of the conversion price. On or after September 30, 2014, the Preferred Shares will be redeemable at the option of the Company at any time at a redemption price equal to \$100 per Preferred Share plus all accrued or declared and unpaid dividends. If not redeemed, commencing March 31, 2015, the Preferred Shares will pay semi-annually a cumulative dividend if, as and when declared by the Company's board of directors, at a rate per annum calculated as at March 31, 2015 and reset on each anniversary of such date in an amount equal to 6.28% above the five year Government of Canada benchmark bond rate as quoted on the Bloomberg page "GCAN5YR <INDEX>" or comparable sources at 10:00 a.m. (Toronto time) as quoted ten days before the anniversary date.

The first dividend will be payable on March 31, 2010 in the amount of \$5.17808 per Preferred Share.

TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Desjardins Securities Inc., Jennings Capital Inc., GMP Securities L.P., Acumen Capital Finance Partners Limited and Industrial Alliance Securities Inc. acted as the Company's agents in connection with the offering.

Western Financial Group is a leader in providing insurance, financial and banking services in over 90 communities to more than 500,000 individuals and businesses in Western Canada through its wholly-owned networked offices, its affiliated insurance brokers, Western Life Assurance Company and Bank West.

The Preferred Shares are traded on the Toronto Stock Exchange under the symbol "WES.PR.C" and the common shares of the Company are traded on the Toronto Stock Exchange under the symbol "WES".

This press release is not for distribution to any United States news services or otherwise in the United States.

For more information on Western Financial Group, please visit [www.westernfinancialgroup.net](http://www.westernfinancialgroup.net), or contact:

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*Forward-Looking Information*

Forward-looking statements involve numerous assumptions, risks and uncertainties, including the risk that prediction and other forward-looking statements may not prove to be accurate. We caution the reader not to place undue reliance on these disclosures, as a number of important factors could cause actual results to differ materially from the estimates and comments expressed in them. Such factors may include, but are not limited to: changing financial and economic conditions in Canada, particularly in Western Canada; regulatory developments; competition industry trends and availability of capital resources; and our anticipated success in managing our risks. We caution readers that the foregoing list is not exhaustive. Except required by law, we do not undertake to update any forward-looking statements, written or oral, that we may make from time to time regarding our operations and performance.