

Attention Business/Financial Editors:

Western Financial Group reports net income up 43% with a revenue increase of 51%

HIGH RIVER, AB, March 13 /CNW/ - (TSX - WES, WES.DB.A) - Western Financial Group ("the Company") announced today its operating and financial results for the year ended December 31, 2005. For the year revenue increased 51% to \$63.6 million, while net income increased 43% to \$4.8 million.

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Financial Highlights

(in \$ thousands)	2005	2004	% change

THE NETWORK			
Revenue (\$)	37,414	35,690	5.0
Operating income (\$)	10,240	10,273	0.0
BANK WEST			
Interest and investment income (\$)	4,552	2,184	108.4
Net interest income	1,227	696	76.3
Operating income (\$)	(953)	(1,124)	15.2
WESTERN LIFE(1)			
Premium and investment income (\$)	19,221	-	
Operating income (\$)	2,564	-	
CORPORATE AND ALL OTHER			
Revenue (\$)	6,638	5,986	10.9
Operating income (\$)	(2,265)	(1,136)	99.4
CONSOLIDATED			
Revenue (\$)	63,584	42,244	50.5
Net Income (\$)	4,849	3,395	42.8
Earnings per share			
- basic (\$)	\$0.17	\$0.18	(5.6)
- diluted (\$)	\$0.15	\$0.16	(6.3)

(1) Acquired February 28, 2005

Western Financial Group CEO, Scott Tannas said, "We are pleased to report that the 2005 year end results were slightly ahead of our budget target for the year".

WFG Agency Network

The Network achieved same store sales growth of 6.8% in 2005, mainly through achieving additional revenue from existing customers, and partially the result of the addition of new customers.

Bank West

In 2005 the Bank's loan book more than doubled to \$90.9 million, growing at a rate of \$4 million net new loans per month, primarily due to strong demand for the Bank's consumer loans and residential mortgages. The Bank also completed amortizing its start-up costs and is positioned well to significantly improve its results in 2006.

Western Life

Western Life, which we acquired February 28, 2005, exceeded our expectations, providing strong earnings and accelerating growth with revenues and customer counts growing in excess of 10% year over year.

Earnings Per Share

For 2005 EPS was modestly lower versus 2004, as the Company absorbed the short-term impact of issuing over 10 million new shares in the first quarter of 2005 while deployment of the Company's capital was carried out though the entire year.

Partnership Investments

Investment income increased substantially over 2004, the result of continued strong performance at Jennings Capital, and good results from our partnerships with Harvard Western Ventures and Falkins Insurance Group.

Conference Call

Western Financial Group will host a conference call to discuss the Company's year end financial results on Thursday, March 30, 2006 at 9:00 am Mountain Time (11:00 am Eastern Time). Participants are asked to call either 1-800-769-8320 or 416-695-5259 (Toronto). An archived recording of the call will be available until April 6, 2006 by calling 1-888-509-0081 or 416-695-5275 (Toronto). The conference will also be broadcast live over the internet and archived through the Company's website at www.westernfinancialgroup.net.

Western Financial Group is one of the leading western-based financial service companies in Western Canada. With offices in towns and small cities across the West, the Company provides more than 250,000 customers with insurance, investment and banking products through WFG Agency Network, Western Life, and Bank West.

The Company's 2005 Financial Report will be filed on SEDAR on or before March 24, 2006.

WESTERN FINANCIAL GROUP INC.
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2005 AND 2004

(Unaudited) (thousands of dollars)	2005	2004
ASSETS		
Cash	\$ 10,416	\$ 12,290
Marketable securities	67,077	10,568
Accounts receivable	23,076	22,167
Prepaid expenses	5,268	2,199
Deferred charges	720	1,225
Other assets	10,896	4,911
Mortgages and loans	90,841	43,371
Capital assets	9,333	8,901
Intangible assets	10,497	7,081
Goodwill	50,164	44,394
	\$ 278,288	\$ 157,107
LIABILITIES		
Demand loans	\$ 5,100	\$ -
Accounts payable and accrued	25,099	20,978
Actuarial liabilities	33,507	-
Provision for unpaid and unreported claims	6,065	-
Deferred gain on investments	861	-
Income taxes payable	285	646
Customer deposits	95,341	49,571
Long term debt	37,707	38,263
Future income taxes	1,604	629

	205,569	110,087
SHAREHOLDERS' EQUITY		
Share capital	59,676	40,398
Other paid in capital	206	206
Contributed surplus	1,776	204
Retained earnings	11,061	6,212
	72,719	47,020
	\$ 278,288	\$ 157,107

WESTERN FINANCIAL GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

(Unaudited)		
(thousands of dollars)	2005	2004
Revenue		
Commissions and other customer income	\$ 59,549	\$ 41,117
Loan interest and investment income	4,035	1,127
	63,584	42,244
Expenses		
Operating expenses	44,027	33,788
Policyholder benefits	9,564	-
Amortization of start up and reorganization costs	374	443
Income before the following	9,619	8,013
Income from long-term investments	1,357	1,323
One time charge	-	(670)
Gain (Loss) on sale of goodwill and other assets	630	(95)
Interest and financing costs on long term debt	(2,653)	(2,593)
Amortization of intangible assets	(329)	(220)
Amortization of capital assets	(1,406)	(1,052)
Income before income taxes	7,218	4,706
Income taxes	(2,369)	(1,311)
NET INCOME FOR THE YEAR	4,849	3,395
Retained earnings, beginning of year		
As previously reported	6,508	3,319
Change in accounting policy	(296)	(393)
As restated	6,212	2,926
Excess on repurchase of shares and convertible debentures	-	(109)
Increase in other paid in capital, net of tax	-	-
Retained earnings, end of year	\$ 11,061	\$ 6,212
Earnings per share		
Basic	\$ 0.17	\$ 0.18
Diluted	\$ 0.15	\$ 0.16

WESTERN FINANCIAL GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

(Unaudited)		2005		2004
(thousands of dollars)				
CASH PROVIDED BY (USED IN) OPERATIONS				
Net income for the year	\$	4,849	\$	3,395
Non cash items				
Amortization of goodwill and intangible assets		328		220
Amortization of capital assets		1,406		1,052
Future income taxes		37		(232)
Amortization of deferred charges		374		443
Other non cash expense		932		575
Non cash dividends		(182)		(856)
Share of investee's income		(1,357)		(299)
Loss on disposal of goodwill and other intangibles		(634)		94
Gain on disposal of other assets		-		(118)
		5,753		4,724
Change in non-cash working capital				
Accounts receivable		1,310		(2,275)
Prepaid expenses		(1,513)		(871)
Accounts payable and accrued		2,362		158
Actuarial liabilities		578		-
Provision for unreported claims		(840)		-
Amortization of deferred gain on investments		(1,191)		-
Income taxes		(74)		172
Deferred start up and reorganization costs		-		(143)
		6,385		1,315
CASH PROVIDED BY (USED IN) INVESTING				
Other assets		(2,858)		(5,852)
Net assets acquired in business acquisitions		(15,097)		(8,310)
Proceeds on sale of capital assets		451		-
Capital asset purchases		(2,042)		(3,716)
Intangible asset purchases		6		(325)
Proceeds on sale of goodwill and intangible assets		-		355
Proceeds on sale of marketable securities		-		2,492
Marketable securities		(12,091)		3,600
Acquisition of loan portfolio		-		(896)
Mortgages and loans		(46,895)		(26,317)
		(78,526)		(38,969)
CASH PROVIDED BY (USED IN) FINANCING				
Repayments of long term debt		(1,583)		(1,535)
Customer deposits		45,771		28,918
Bank loan advances		1,000		-
Net proceeds from issue (repurchase) of share capital		20,090		8,492
Repayment of capital lease		-		-
Deferred finance charges		(111)		(43)
Net repayments of investment margin loan		-		(268)
		65,167		35,564
Decrease (increase) in cash for the year		(6,974)		(2,090)
Cash and cash equivalents, beginning of year		12,290		14,380
Cash and cash equivalents, end of year	\$	5,316	\$	12,290
Cash and cash equivalents are comprised				

as follows:

Cash	\$	10,416	\$	12,290
Operating lending facility		(5,100)		-
	\$	5,316	\$	12,290

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%SEDAR: 00007536E

/For further information: please contact: Jodi Greig, Corporate
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CO: Western Financial Group

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