

Attention Business/Financial Editors:

Western Financial Group reports net income up 64.7% with a revenue increase of 24%

HIGH RIVER, AB, March 15 /CNW/ - (TSX - WES, WES.DB.A) - Western Financial Group ("the Company") announced today its operating and financial results for the year ended December 31, 2006. For the year, revenue increased 24% to \$82.6 million, while net income increased 64.7% to \$7.9 million.

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Financial Highlights

(in \$ thousands)	2006	2005	% change
THE NETWORK			
Revenue (\$)	46,674	41,515	12.4%
Operating income (\$)	14,308	14,376	(0.5)%
BANK WEST			
Interest and investment income (\$)	8,214	4,284	91.7%
Net interest income	2,236	959	133.2%
Operating income (loss) (\$)	218	(894)	124.4%
WESTERN LIFE(1)			
Premium and investment income (\$)	25,686	18,741	37.1%
Operating income (\$)	2,581	2,372	8.8%
CORPORATE AND ALL OTHER			
Revenue (\$)	2,069	2,101	(1.5)%
Operating income (\$)	(5,457)	(6,235)	12.5%
CONSOLIDATED			
Revenue (\$)	82,643	66,641	24.0%
Net Income (\$)	7,988	4,849	64.7%
Earnings per share			
- basic (\$)	\$0.22	\$0.17	29.4%
- diluted (\$)	\$0.20	\$0.15	33.3%

(1) Acquired February 28, 2005

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"Operationally and financially we accomplished what we set out to do in 2006," said Scott Tannas, President and CEO. "We saw good growth in all areas of the company, reaching our next level of profitability with an EPS of \$0.22 and net income up to \$8.0 million. In fact we overshot our target."

WFG Agency Network

The Network realized steady growth in market share through gains in same store sales of 6.9%, and a products per customer account increase to 2.29 items.

Bank West

The Bank posted its first pre-tax profit, increasing its loan book by \$57.9 to \$149.4 million and grew at an average rate of \$4.8 million per month.

Western Life Assurance

Western Life posted its strongest year in the company's 20 year history, both in terms of profitability and premiums. Revenues grew to \$25.7 million as its policy and certificate count grew by 15.0% in the year.

Equity Investments

Western Financial Group's portfolio of equity partner investments

performed well with Jennings Capital showing continued strong performance. Both Falkins Insurance and Harvard Western Ventures also showed increased income over the previous year. New additions to the portfolio in 2006, Northcountry Insurance and H.E.D. performed as expected.

Conference Call

Western Financial Group will host a conference call to discuss the Company's year end financial results on March 26, 2007 at 12:00 pm Mountain Time (2:00 pm Eastern Time). Participants are asked to call either 888-789-9572 or 416-695-7806 (Toronto) with the passcode 9641835. An archived recording of the call will be available until April 2, 2007 by calling 888-509-0081 or 416-695-5275 (Toronto) with the passcode 641835 followed by the number sign. 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 350,000 individuals and businesses with insurance, investment and banking products through WFG Agency Network, Western Life, and Bank West.

The Company's 2006 Financial Report will be filed on SEDAR on or before March 19, 2007.

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CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2006 AND 2005
(in thousands, except for per share amounts)

	2006	2005
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ASSETS		
Cash	\$ 9,085	\$ 10,416
Marketable securities (Note 4)	85,243	67,077
Accounts receivable (Note 5)	23,510	23,076
Prepaid expenses	7,340	5,462
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Income taxes receivable	388	-
Future income taxes (Note 20)	1,271	1,411
Deferred charges (Note 6)	714	720
Other assets (Note 7)	2,235	2,451
Equity investments (Note 8)	23,501	8,251
Mortgages and loans (Note 9)	149,051	90,841
Capital assets (Note 10)	8,844	9,333
Intangible assets (Note 11)	14,175	10,497
Goodwill (Note 12)	59,565	50,164
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	384,922	279,699
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LIABILITIES		
Demand loans (Note 13)	-	5,100
Accounts payable and accrued liabilities	35,944	25,099
Actuarial liabilities (Note 14)	34,754	33,507
Provision for unpaid and unreported claims (Note 14)	6,637	6,065
Deferred gain on investments	1,295	861
Income taxes payable (Note 20)	-	285
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Customer deposits (Note 15)	147,118	95,341
Long-term debt (Note 16)	25,164	37,707
Future income taxes (Note 20)	2,790	3,015

	253,702	206,980
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SHAREHOLDERS' EQUITY

Share capital (Note 17)	110,607	59,676
Other paid in capital	152	206
Contributed surplus	1,923	1,776
Retained earnings	18,538	11,061

	131,220	72,719
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	\$384,922	\$279,699
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CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(in thousands, except for per share amounts)

	2006	2005
Revenue		
Commissions and other customer income	\$ 47,983	\$ 43,206
Premium income	22,785	16,343
Interest income on Customer loans	8,214	4,284
Investment income	3,661	2,808
	82,643	66,641
Expenses		
Operating expenses	51,420	43,759
Policyholder benefits	13,595	9,564
Interest expense - Customer deposits	5,223	2,924
Provision for credit losses	755	401
Amortization of start up and reorganization costs	-	374
Income before the following	11,650	9,619
Income from long-term investments	2,323	1,357
Gain on sale of goodwill and capital assets	566	630
Interest and financing costs on long-term debt	(2,616)	(2,653)
Amortization of intangible assets	(439)	(329)
Amortization of capital assets	(1,506)	(1,406)
Income before income taxes	9,978	7,218
Income taxes (Note 20)	(1,990)	(2,369)
NET INCOME FOR THE YEAR	7,988	4,849
Retained earnings, beginning of year	11,061	6,212
Preferred share dividends	(511)	-

Retained earnings, end of year 18,538 11,061

Earnings per share(Note 21)
Basic \$ 0.22 \$ 0.17

Diluted \$ 0.20 \$ 0.15
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(WES. WES.DB.A.)

CO: Western Financial Group

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