



NEWS RELEASE

For immediate release
PRDG1183

**Western Financial Group Inc. announces shareholder approval of its amalgamation
with 1610838 Alberta Ltd., a wholly-owned subsidiary of
Desjardins Financial Corporation Inc.**

Lévis (Qc), High River (Alta), July 7, 2011 — At a special meeting held today, Western Financial Group Inc. (“Western”) shareholders approved the previously announced amalgamation of Western and 1610838 Alberta Ltd., a wholly-owned subsidiary of Desjardins Financial Corporation Inc. (“Desjardins”) in accordance with the provisions of the *Business Corporations Act* (Alberta).

The special resolution was approved by 99.97% of the votes cast by shareholders and by 100% of the votes cast by holders of Western common shares entitled to vote in order to meet the minority approval requirements set out in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* present in person or represented by proxy at the Special Meeting.

Pursuant to the amalgamation, each issued and outstanding common share of Western, other than those held by Desjardins and its affiliates and any dissenting shareholders, will be converted into one redeemable preferred share of the amalgamated corporation (an “Amalco redeemable preferred share”) which will be immediately redeemed upon the coming into effect of the amalgamation for a redemption amount of \$4.15 per share.

Also, pursuant to the amalgamation, each of the first preferred shares, series three, series four and series five of Western will be converted into one first preferred shares, series three, series four and series five, respectively, of the amalgamated corporation (the “Amalco first preferred shares”). These preferred shares will have the same attributes as the first preferred shares of Western in all respects, except that the provisions of the Amalco first preferred shares will be consistent with and reflect the fact that the amalgamation constitutes a “Capital Reorganization” under the terms of the first preferred shares and that the common shares will no longer be listed on the Toronto Stock Exchange (“TSX”) following the amalgamation.

Consequently, among others, following the amalgamation, a holder of Amalco first preferred shares will receive upon their conversion a number of Amalco redeemable preferred shares equal to the number of common shares such holder would have been entitled to receive upon conversion of his first preferred shares of Western prior to the amalgamation, and will receive \$4.15 in cash upon the immediate subsequent redemption of each such Amalco redeemable preferred share.

The corporation resulting from the amalgamation will remain a reporting issuer and the Amalco first preferred shares will remain listed on the TSX.

As a result of the amalgamation, Desjardins will own, directly and indirectly, all of the outstanding common shares of the amalgamated corporation.

Subject to satisfaction of customary conditions, it is anticipated that the amalgamation will close on or about July 11, 2011.

About Desjardins Financial Group

Awarded the coveted title “Bank of the Year 2010 — Canada” by the UK magazine *The Banker*, Desjardins Group is the leading cooperative financial group in Canada and the sixth largest in the world, with assets of over \$184 billion. Drawing on the strength of its caisse network in Québec and Ontario, and its subsidiaries across Canada, it offers a full range of financial products and services to its 5.8 million members and clients. Desjardins specializes in Wealth Management and Life and Health Insurance, in Property and Casualty Insurance, in Personal Services, in Business and Institutional Services. As one of the largest employers in the country and one of Canada’s 10 Most Admired Corporate Cultures™ of 2010, Desjardins is supported by the skills of its 42,500 employees and the commitment of nearly 6,000 elected officers. For more information, visit www.desjardins.com.

About Western Financial Group

Western Financial Group provides property, liability and life insurance as well as banking and investment services for more than 550,000 customers in Western Canada. Our business units include:

The Network is the largest property and casualty brokerage in Western Canada, providing auto, home, farm and business insurance to residents of 96 communities. In most locations we also offer life insurance products, travel insurance, some investment services, and deposit and loan services such as the purchase of GICs, as well as personal and commercial mortgages and loans.

Bank West is a virtual bank accessible through brokers and customer service agents, focused on commercial, agricultural, recreational vehicle and several types of personal lending, and GICs.

Western Life partners with others who have a customer relationship in place with a product line including Individual Life, Disability and Critical Illness products, Group Health for small employer groups, A&S products designed for niche contexts and many variations of Creditor Insurance products.

Western Financial Insurance is Canada’s oldest and largest pet insurance provider under the brand name PetSecure, leading the market place since 1989 in providing Canadian pet parents with innovative coverage to meet the diverse needs of their pets.

For more information on Western visit www.westernfg.ca.

Forward-Looking Statements

Except for historical information provided herein, this press release contains “forward-looking statements” within the meaning of the applicable securities legislation regarding the completion of the amalgamation, including the statement regarding the anticipated date of closing of the amalgamation. Therefore, readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Western to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements in this press release. These risks and uncertainties include, but are not limited to, the satisfaction of the conditions to consummate the amalgamation, a delay in the consummation of the amalgamation or failure to complete the amalgamation for any other reason, the amount of the costs, fees, expenses and charges related to the amalgamation, and the risks associated with general economic conditions. The forward-looking statements in this press release are made as of the date of this press release and, except as required by law, Western disclaims any obligation to update or revise publicly any forward-looking statements, whether as a result of new information or future events.

###

Information (For media only):

On behalf of Desjardins Financial Group
André Chapleau, Director, Media Relations
514-281-7229 or 1-866-866-7000, extension 7229

On behalf of Western Financial Group
Arlene Beggs, Executive Assistant to the CEO
403-652-2663