



For Immediate Release

**WESTERN FINANCIAL GROUP ANNOUNCES YEAR END RESULTS
NET INCOME INCREASED BY 27% AND BASIC EARNINGS PER SHARE UP BY 9%;**

High River, Alberta – March 14, 2011, (TSX – WES) - Western Financial Group (“the Company”) announced today its operating and financial results for the year ended December 31, 2010.

Financial Highlights

(unaudited) (in \$ thousands except for per share amounts)	Years ended December 31		
	2010	2009	% Change
The Network			
Commissions and other customer revenue	\$ 110,060	\$ 89,144	23.5%
Operating expenses	78,976	63,261	24.8%
Operating income	\$ 31,084	\$ 25,883	20.1%
Bank West			
Interest and investment income	\$ 27,495	\$ 25,514	7.8%
Interest expense - customer deposits	12,783	15,165	-15.7%
Net interest and investment income	14,712	10,349	42.2%
Provisions for credit losses	2,166	2,645	-18.1%
Operating expenses	9,258	8,249	12.2%
Operating income (loss)	\$ 3,288	\$ (545)	703.3%
Western Life			
Premium and investment income	\$ 52,323	\$ 40,691	28.6%
Policyholder benefits	25,269	20,123	25.6%
Operating expenses	20,307	15,565	30.5%
Operating income	\$ 6,747	\$ 5,003	34.9%
Western Financial Insurance			
Premium and investment income	\$ 38,099	\$ 9,077	319.7%
Policyholder benefits	16,524	3,951	318.3%
Operating expenses	12,993	3,052	325.7%
Operating income ⁽¹⁾	\$ 8,582	\$ 2,074	313.8%
<i>(1) Operating Income for 2009 includes 3 months only.</i>			
Corporate and all other			
Other revenues	\$ 1,476	\$ 1,650	-10.6%
Operating expenses	12,453	9,692	28.5%
Operating loss	\$ (10,977)	\$ (8,042)	36.5%
Total operating income	\$ 38,724	\$ 24,373	58.9%
Net income	\$ 20,280	\$ 15,961	27.1%
Preferred dividends	(7,218)	(5,001)	44.3%
Earnings available to common shareholders	\$ 13,062	\$ 10,960	19.2%
Earnings per share			
- basic (\$)	\$ 0.24	\$ 0.22	
- diluted (\$)	\$ 0.24	\$ 0.22	



2010 KEY OBJECTIVES	
Network Same Store Sales	4%-7% growth
Network Operating Margin	28%
Bank West Specific Provisions	75 bps or less
Western Financial Insurance Loss Ratio	55% or less
Western Life Loss Ratio	45% or less
Overall 2010 Net Income	\$18.5 to \$20 million

Western Financial Group today announced its year end 2010 financial numbers which show net income increased by 27%, with Earnings Per Share up by 9% over the same period in 2009. All Business Units showed positive results year over year, with Bank West reporting its third profitable quarter in a row.

“Our results for the year reflect the growing strength of our business.” said Scott Tannas, President and CEO. “We met every stated objective this year.”

The Network

The Network combined margin was 28%, retail same store sales was up 4.3%, and same store customer count grew by 1.5% for the year.

Bank West

The Bank’s loan book increased slightly over 2009, to \$364.3 million. Our specific charges for loan losses were at 69 basis points, an improvement over 2009. The gross non performing loan ratio also continues to improve standing now at 1.74%. While there is much to be done to improve profitability at Bank West, we are pleased to have a \$3.8 million positive swing in operating income over this time last year.

Western Life

Western Life’s growth continued with premium income up by 29% year over year. Their loss ratio abated significantly in the quarter bringing their year to date ratio to 41%. Cross sales within the Western Financial Group continue to set new highs each quarter.

Western Financial Insurance

Western Financial Insurance’s premium revenue is up 13% with improved loss ratios year over year of 47% compared to 51% in 2009. Net new policy count is 5,075 for the year, bringing the total in-force policies to 70,127.

Strategic Partnership Portfolio

The Company’s partnerships in investment banking and insurance distribution each provided positive income, with all units achieving our 2010 expectations.

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

The Company’s Financial Report for the year ended December 31, 2010 will be filed on SEDAR on March 14, 2011.



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.

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CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009

(in thousands, except for per share amounts)

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 58,010	\$ 58,463
Securities - held-for-trading	69,201	61,373
Securities - available-for-sale	43,436	30,901
Mortgages, loans and leases, net of allowance for credit losses	359,696	355,621
Interest rate swaps	-	90
Equity investments	21,283	11,591
Capital assets	15,706	15,524
Goodwill	166,899	148,205
Intangible assets	72,725	72,825
Accounts receivable	52,863	51,114
Prepaid expenses	7,550	7,231
Future income tax asset	431	1,102
Other assets	4,156	2,286
Total assets	\$ 871,956	\$ 816,326
LIABILITIES		
Customer deposits	\$ 312,196	\$ 317,953
Actuarial liabilities	46,061	40,032
Provision for unpaid and unreported claims	16,975	13,919
Debt	71,622	79,771
Interest rate swaps	161	-
Due to policyholders	22,525	20,392
Accounts payable and accrued liabilities	105,473	82,700
Income taxes payable	647	1,809
Future income tax liability	13,068	13,199
Total liabilities	588,728	569,775
SHAREHOLDERS' EQUITY		
Share capital	233,162	206,905
Other paid in capital	268	268
Contributed surplus	2,263	2,041
	235,693	209,214
Accumulated other comprehensive loss	(543)	(129)
Retained earnings	48,078	37,466
Total shareholders' equity	283,228	246,551
	\$ 871,956	\$ 816,326



CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
 (in thousands, except for per share amounts)

	2010	2009
REVENUE		
Commission and other customer income	\$ 113,027	\$ 91,540
Premium income	80,803	45,904
Interest income on customer loans	26,506	24,556
Investment income		
Change in fair value of held-for-trading securities	5,973	1,929
Realized gain on sales of available-for-sale assets	470	392
Realized gain on sales of held-for-trading securities	65	37
Other net investment income	2,609	1,718
	229,453	166,076
EXPENSES		
Operating expenses	133,987	99,819
Policyholder benefits	41,793	24,074
Interest expense - customer deposits	12,783	15,165
Provision for credit losses	2,166	2,645
Income before the following:	38,724	24,373
Income from equity investments	4,276	2,859
Gain on sale of investments and capital assets	-	298
Interest and financing costs on debt	(5,967)	(4,308)
Amortization of capital assets	(2,674)	(2,552)
Amortization of intangible assets	(3,917)	(2,699)
Income before income taxes	30,442	17,971
Income taxes	(10,162)	(2,010)
NET INCOME FOR THE YEAR	\$ 20,280	\$ 15,961
Earnings per common share		
Basic	\$ 0.24	\$ 0.22
Diluted	\$ 0.24	\$ 0.22