



For Immediate Release

WESTERN FINANCIAL GROUP REPORTS THIRD QUARTER 2009 RESULTS

High River, Alberta – November 12, 2009, (TSX – WES) - Western Financial Group (“the Company”) announced today its operating and financial results for the three and nine months ended September 30, 2009.

“Our company continues its progress toward its 2009 objectives,” said Scott Tannas, President and CEO. “Our profits for the quarter are a significant improvement over Q3 a year ago. We are encouraged by resiliency demonstrated by so many of our markets across the West. We expect accelerating growth across our businesses in the quarters to come. The Network and Bank West both improved operating results compared to last year. In the Network’s case the growth has come from improved margins and organic growth. While Bank West’s operating profit is modest for the quarter, it marks a return to profitability that we intend to build upon in current and future quarters. The Bank’s key credit quality measure has also shown a modest improvement over the prior quarter. Western Life continues to have a strong year. Given what we have accomplished up to this point, we continue to believe that we can achieve the majority of our original 2009 objectives, including our Net Income target.”

2009 OBJECTIVES	
Same Store Revenue	5% to 8% growth
Network Operating Margin	29%
Bank West Specific Provisions	50 bps or less
Western Life Loss Ratio	<45%
Overall 2009 Net Income	\$14.5 to \$16.5 million

Financial Highlights

(unaudited)

(in \$ thousands except for per share amounts)

	For the three months ended Sept 30			For the nine months ended Sept 30		
	2009	2008	% Change	2009	2008	% Change
The Network						
Commissions and other customer income	\$ 20,425	\$ 19,825	3.0 %	\$ 61,055	\$ 58,186	4.9 %
Operating expenses	14,594	14,243	2.5 %	43,407	40,810	6.4 %
Operating income	\$ 5,831	\$ 5,582	4.5 %	\$ 17,648	\$ 17,376	1.6 %
Bank West						
Interest and investment income	6,795	4,677	45.3 %	19,017	14,228	33.7 %
Interest expense - customer deposits	3,723	3,185	16.9 %	11,155	9,684	15.2 %
Net interest and investment income	3,072	1,492	105.9 %	7,862	4,544	73.0 %
Provisions for credit losses						
- General	202	38	431.6 %	393	(17)	2411.8 %
- Specific	720	322	123.6 %	1,335	586	127.8 %
Operating expenses	1,869	1,164	60.6 %	6,593	2,875	129.3 %
Operating (loss) income	\$ 281	\$ (32)	(977.5) %	\$ (459)	\$ 1,100	(141.7) %
Western Life						
Premium and investment income	12,260	7,092	72.9 %	31,052	22,584	37.5 %
Policyholder benefits	7,224	2,550	183.3 %	16,056	9,037	77.7 %
Operating expenses	3,997	3,456	15.7 %	11,370	10,025	13.4 %
Operating income	\$ 1,039	\$ 1,086	(4.3) %	\$ 3,626	\$ 3,522	3.0 %
Corporate and all other						
Other revenues	608	418	45.4 %	1,219	1,487	(18.0) %
Operating expenses	2,505	2,605	(3.9) %	7,257	6,896	5.2 %
Operating loss	\$ (1,897)	\$ (2,187)	(13.3) %	\$ (6,038)	\$ (5,409)	11.6 %
Total operating income	\$ 5,254	\$ 4,449	18.1 %	\$ 14,777	\$ 16,589	(10.9) %
Net income	4,147	2,100	97.5 %	9,986	10,325	(3.3) %
Preferred dividends	(1,202)	(531)	126.3 %	(3,207)	(1,908)	68.1 %
Earnings available to common shareholders	2,945	1,569	87.7 %	6,779	8,417	(19.5) %
Earnings per common share						
- basic (\$)	\$ 0.06	\$ 0.04	49.2 %	\$ 0.14	\$ 0.17	(19.2) %
- diluted (\$)	\$ 0.06	\$ 0.04	48.9 %	\$ 0.13	\$ 0.17	(21.2) %



The Network

Our margins for the nine months are at 30%, same store sales are at 4.2%, and same store customer count growth grew by 2.0% on an annualized basis.

Bank West

The Bank's loan book increased slightly over the quarter, the result of growth of agricultural loan funding in the summer and fall seasons, mitigated by pay downs in the residential mortgage portfolio. Credit quality remained strong, with non performing loans at 1.1% at September 30th.

Western Life

Western Life's industry leading growth continued with premium sales up by 17% in the quarter, the result of substantial cross sales within the Western Financial Group family. Investment income also improved significantly over the second quarter.

Strategic Partnership Portfolio

The Company's partnerships in investment banking, insurance distribution and manufacturing provided positive income for the quarter.

2010 Outlook

Management is in the final stages of preparing its 2010 budgets and strategic plans, and is committed to making significant steps forward in profitability in 2010. The 2010 Key Objectives will be published on the Company's website prior to year end 2009.

Conference Call

Western Financial Group will host a conference call to discuss the Company's third quarter financial results on Monday, November 16, 2009 at 9:00 am Mountain time (11:00 am Eastern time). To participate in the live conference call, please dial either (416) 644-3418 or (800) 589-8577. A replay of the call will be available from November 16th at 12:00 pm MT until November 30th at 11:59 PM MT. To access the replay please dial either (416) 640-1917 or (877) 289-8525 and enter pass code 4181269 followed by the pound sign. The conference will also be broadcast live over the internet and archived through the Company's website at www.westernfinancialgroup.ca.

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 and Bank West.

The Company's Financial Report for the third quarter of 2009 will be filed on SEDAR on or before November 13, 2009.

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 SHEET

(unaudited)

(in thousands, except for per share amounts)

	As at September 30 2009	As at December 31 2008
ASSETS		
Cash and cash equivalents	\$ 73,842	\$ 28,563
Interest rate swap (Note 14)	97	-
Marketable securities - held-for-trading (Note 14)	61,007	53,091
Marketable securities - available-for-sale (Note 14)	13,882	103,808
Mortgages and loans (Note 6 and 14)	344,854	272,135
Equity investments	50,861	38,040
Accounts receivable	25,527	23,999
Prepaid expenses	7,271	8,039
Future income taxes	548	539
Capital assets	16,982	15,325
Intangible assets	34,235	27,996
Goodwill	118,105	105,285
	\$ 747,211	\$ 676,820
LIABILITIES		
Customer deposits	\$ 330,234	\$ 333,130
Actuarial liabilities	40,635	38,256
Provision for unpaid and unreported claims	10,291	8,510
Accounts payable and accrued liabilities	53,631	50,378
Income taxes payable (recoverable)	1,379	(800)
Long-term debt (Notes 7 and 17)	61,774	38,151
Future income taxes	6,270	5,480
Total liabilities	504,214	473,105
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	207,136	173,438
Other paid in capital (Note 7)	268	-
Contributed surplus	1,971	1,975
	209,375	175,413
Accumulated other comprehensive income (loss)	(170)	(296)
Retained earnings	33,792	28,598
Total shareholders' equity	242,997	203,715
	\$ 747,211	\$ 676,820



CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

(unaudited)

(in thousands, except for per share amounts)

	Three months ended Sept 30		Nine months ended Sept 30	
	2009	2008	2009	2008
REVENUE				
Commission and other customer income	\$ 20,925	\$ 20,119	\$ 62,225	\$ 59,046
Premium income	9,522	8,121	27,647	22,999
Interest income on customer loans	6,487	4,677	18,422	14,228
Investment income				
Change in fair value of held-for-trading securities	2,304	(1,458)	2,930	(1,616)
Realized gain (loss) on sales of held-for-trading securities	27	2	57	(2)
Realized gain (loss) on sales of available-for-sale assets	396	-	(154)	-
Other net investment income	427	551	1,216	1,830
	40,088	32,012	112,343	96,485
EXPENSES				
Operating expenses	22,965	21,468	68,627	60,606
Policyholder benefits	7,224	2,550	16,056	9,037
Interest expense - customer deposits	3,723	3,185	11,155	9,684
Provision for credit losses (Note 14)	922	360	1,728	569
Income before the following:	5,254	4,449	14,777	16,589
Income from equity investments	1,783	67	2,618	1,525
Gain on sale of investments and capital assets	371	303	374	901
Interest and financing costs on long-term debt	(997)	(540)	(2,600)	(1,676)
Amortization of intangible assets	(449)	(316)	(1,311)	(946)
Amortization of capital assets	(764)	(731)	(2,191)	(2,087)
Income before income taxes	5,198	3,232	11,667	14,306
Income taxes	(1,051)	(1,132)	(1,681)	(3,981)
NET INCOME FOR THE PERIOD	\$ 4,147	\$ 2,100	\$ 9,986	\$ 10,325
Retained earnings, beginning of period	\$ 31,376	\$ 33,361	\$ 28,598	\$ 28,015
Preferred share dividends	(1,202)	-	(3,207)	(1,908)
Common share dividends	(529)	(531)	(1,585)	(1,502)
Retained earnings, end of period	\$ 33,792	\$ 34,930	\$ 33,792	\$ 34,930
Earnings per share (Note 9)				
Basic	\$ 0.06	\$ 0.04	\$ 0.14	\$ 0.17
Diluted	\$ 0.06	\$ 0.04	\$ 0.13	\$ 0.17