



Western Financial Group

For Immediate Release

WESTERN FINANCIAL GROUP REPORTS THIRD QUARTER FINANCIAL RESULTS

High River, Alberta – November 12, 2008 (TSX – WES) - Western Financial Group (“the Company”) announced today its operating and financial results for the three and nine months ended September 30, 2008.

FINANCIAL HIGHLIGHTS (in \$ thousands)	Three months ended September 30			Nine months ended September 30		
	2008	2007	% Change	2008	2007	% Change
THE NETWORK						
Revenue (\$)	19,825	17,007	16.6 %	58,186	49,290	18.0 %
Operating income (\$)	5,583	4,944	12.9 %	17,376	16,080	8.1 %
BANK WEST						
Interest and investment income (\$)	4,677	3,312	41.2 %	14,228	8,632	64.8 %
Net interest income (\$)	1,492	665	124.4 %	4,544	2,953	53.9 %
Operating income (loss) (\$)	(32)	3	(1166.7) %	1,100	249	341.8 %
WESTERN LIFE						
Premium and investment income (\$)	7,092	8,306	(14.6) %	22,584	20,440	10.5 %
Operating income (\$)	1,086	733	48.1 %	3,522	2,514	40.1 %
CORPORATE AND ALL OTHER						
Revenue (\$)	418	929	(55.0) %	1,487	2,396	(37.9) %
Operating income (\$)	(2,187)	(1,343)	62.8 %	(5,408)	(4,432)	22.0 %
CONSOLIDATED						
Revenue (\$)	32,012	29,554	8.3 %	96,485	80,758	19.5 %
Net income (\$)	2,100	2,344	(10.4) %	10,325	8,979	15.0 %
Earnings per share						
- basic (\$)	\$ 0.04	\$ 0.05	(20.0) %	\$ 0.17	\$ 0.19	(10.5) %
- diluted (\$)	\$ 0.04	\$ 0.04	0.0 %	\$ 0.17	\$ 0.17	0.0 %

Scott Tannas, Western Financial Group President & C.E.O. offered the following comments:

Continued Strong Operating Earnings

“Our operating businesses continue to do well, posting increases in revenue and operating income. By virtually every measure, we are making progress toward our goal of strong internal growth in revenue, market share and profitability. The Network’s same store sales grew by 9.7% and our same store customer count is up by 4.3%, both a clear demonstration of our market share growing. The Network’s margin stands at its long term goal of 30%. Bank West’s operating income has shown dramatic improvement and its loan provisions and delinquency indicators are within expected parameters, in spite of some “lumpy” expenses in the third quarter. Western Life continues to provide significant growth in sales and profitability in spite of reduced investment income. All in all, we are pleased with the performance of the Company’s operations, and believe we are well positioned to grow profitability and revenue over the coming quarters and years ahead. Western Canada’s economy continues to be strong, and is expected to lead the country in 2009 and beyond. We are noticing a number of leading indicators of insurance rate increases. We are beginning to see the effects of integration and synergy across our operating units, and we expect this to accelerate into 2009.”

Reduction in short term expected returns from Strategic Partners

“Our strategic partnership portfolio, specifically, our partners at Jennings Capital are suffering through a difficult period in the investment industry, and in the third quarter suffered a loss – primarily the result of mark to market inventory writedowns. We expect that the fourth quarter will continue to be a challenge, and that Jennings over the next number of quarters will likely deliver financial results that are significantly reduced compared to those of the past. That said we firmly believe that Jennings is much better positioned than many of its competitors to weather the storm and take advantage of coming opportunities. Jennings’ operating platform is efficient and low cost. It has no debt, and has zero exposure to derivatives or credit swaps. We remain committed to our partnership with Jennings. Our other strategic partners – H.E.D., Falkins and Harvard Western all are operating at or ahead of their budgets.”

Change in 2008 Objectives

Given the results at nine months, and management’s outlook for the final quarter, the Company is adjusting its 2008 stated goals to reflect a reduction in expected contributions from its strategic partnership portfolio. The Bank West portfolio growth goal is also adjusted to reflect the expected closing of the acquisition of AgriFinancial on or before December 31. The Company’s revenue growth target remains unchanged.

2008 OBJECTIVES	
Same Store Revenue	7%-10% growth
Bank Assets	25% growth
EPS	0%-10% reduction

Tannas concluded by saying “While we are disappointed to have our overall bottom line progress hampered in the short term by events in the stock market, we remain very excited about our ability to grow our business and increase profitability in the months and years ahead.”

Conference Call

Western Financial Group will host a conference call to discuss the Company's third quarter results on Monday, November 17, 2008 at 11:00 am Mountain time (1:00 pm Eastern time). To participate in the live conference call, please dial either (416) 644-3429 or (800) 587-1893. A replay of the call will be available from November 17th at 1:00 pm MT until December 1st at 11:59 PM MT. To access the replay please dial either (416) 640-1917 or (877) 289-8525 and enter the passcode 21289109 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.net.

Western Financial Group is a leader in providing insurance, financial services and banking services in over 90 communities, to more than 400,000 individuals and businesses in Western Canada through its WFG Agency Network locations, its affiliated insurance brokers, Western Life Assurance Company and Bank West.

The Company’s Financial Report for the third quarter of 2008 will be filed on SEDAR on or before November 13, 2008.

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 as 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.

WESTERN FINANCIAL GROUP

CONSOLIDATED BALANCE SHEETS (unaudited)
(in thousands, except for per share amounts)

	As at September 30 2008	As at December 31 2007
ASSETS		
Cash and cash equivalents	\$ 10,667	\$ 36,033
Marketable securities – held-for-trading	51,018	46,886
Marketable securities – available-for-sale	33,287	51,104
Accounts receivable	29,882	26,680
Prepaid expenses	6,328	5,960
Income taxes receivable	-	2,191
Future income taxes	501	584
Other assets	446	1,489
Equity investments	40,607	26,100
Mortgages and loans	280,098	288,202
Capital assets	15,545	12,141
Intangible assets	28,312	27,166
Goodwill	103,681	98,165
	\$ 600,372	\$ 622,701
LIABILITIES		
Accounts payable and accrued liabilities	\$ 46,627	\$ 55,685
Actuarial liabilities	36,017	38,042
Provision for unpaid and unreported claims	8,427	8,653
Income taxes payable	778	-
Customer deposits	259,287	283,299
Long term debt	35,273	33,389
Future income taxes	5,358	5,274
	\$ 391,767	\$ 424,342
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	\$ 173,659	\$ 168,693
Other paid in capital	-	51
Contributed surplus	1,937	1,849
Retained earnings	34,930	28,015
Accumulated other comprehensive loss	(1,921)	(249)
Total Shareholders' Equity	\$ 208,605	\$ 198,359
	\$ 600,372	\$ 622,701

WESTERN FINANCIAL GROUP

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	
	2008	2007	2008	2007
REVENUE				
Commission and other customer income	\$ 20,119	\$ 17,278	\$ 59,046	\$ 50,210
Premium income	8,121	7,370	22,999	20,001
Interest income on customer loans	4,677	3,312	14,228	8,632
Investment income				
Change in fair value of held-for-trading assets	(1,458)	362	(1,616)	(1,134)
Realized gain (loss) on sales of held-for-trading assets	2	173	(2)	11
Other net investment income	551	1,059	1,830	3,038
	32,012	29,554	96,485	80,758
EXPENSES				
Operating expenses	21,468	18,258	60,606	50,798
Policyholder benefits	2,550	4,312	9,037	9,168
Interest expense – customer deposits	3,185	2,272	9,684	5,679
Provision for credit losses	360	375	569	702
Income before the following	4,449	4,337	16,590	14,411
Income from long-term investments	67	256	1,525	1,850
Gain on sale of investments and assets	303	-	901	-
Interest and financing costs on long-term debt	(540)	(532)	(1,676)	(1,959)
Amortization of intangible assets	(316)	(215)	(946)	(625)
Amortization of capital assets	(731)	(401)	(2,087)	(1,154)
Income before income taxes	3,232	3,445	14,306	12,523
Income taxes	(1,132)	(1,101)	(3,981)	(3,544)
NET INCOME FOR THE PERIOD	\$ 2,100	\$ 2,344	\$ 10,325	\$ 8,979
Retained earnings, beginning of period as previously stated	\$ 33,361	\$ 24,529	\$ 28,015	\$ 18,538
Cumulative effect of adopting new accounting policies	-	-	-	300
Retained earnings, beginning of period as restated	33,361	24,529	28,015	18,838
Preferred share dividends	-	-	(1,908)	(501)
Common share dividends	(531)	(459)	(1,502)	(902)
Retained earnings, end of period	34,930	26,414	34,930	26,414
Earnings per share (Note 7)				
Basic	\$ 0.04	\$ 0.05	\$ 0.17	\$ 0.19
Diluted	\$ 0.04	\$ 0.04	\$ 0.17	\$ 0.17