



Western Financial Group

Q1 2010 Financial Results Conference Call

May 20, 2010

Forward-Looking Statements

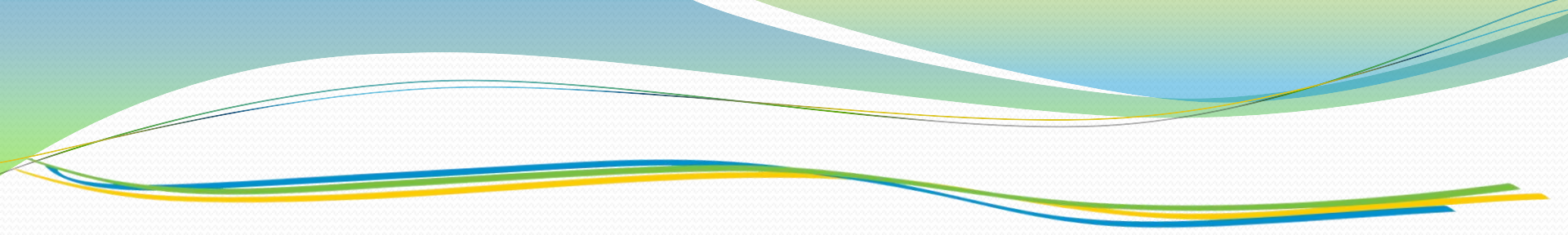
This presentation contains certain forward-looking statements. Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving Western Financial Group Inc. (the “Company”) or its subsidiaries. Many of these statements can be identified by looking for words such as “believe”, “expects”, “expected”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words. The Company believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties only some of which are described herein. Many factors could cause the Company’s actual results, performance or achievements to, or future events or developments to, differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the risk factors, which are discussed in greater detail in the “Risk Factors” section of the prospectus. Any forward-looking statements are made as of the date hereof and the Company does not assume any obligation to publicly update or revise such statements to reflect new information, subsequent events or otherwise.

Non-GAAP Measures

Throughout this presentation, the Company may use the term “operating income” to refer to earnings, including investment income, before interest expense, taxes, depreciation and amortization of intangible and capital assets, excluding gain (loss) from the sale of assets and income (loss) from equity investments. The Company uses “operating income” to assist it in measuring corporate performance before the costs of capital and amortization of capital and intangible assets. Operating income is not a measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, this measure may not be comparable to similar measures presented by other issuers and investors are cautioned that it should not be used as an alternative to “net income” or other measures of financial performance calculated in accordance with GAAP.

Today's Remarks

- Operational Progress in Q1
- Strategic Events in Q1
- Financial Update
- Priorities for Q2



Operational Progress in Q1 2010

The Network

- Same store customer count : + 2.0%
- Same store sales : + 4.7%
- HED magnifies seasonality of Network business

Western Life Assurance

- Certificate count growth annualized – 5.3%
- Western accounts for \$3.1 million (24% Q1) of premium revenue
- Signed significant creditor life program – effective 2010 – launched April 2010
- Network Term Life sales doubled in Q1 over Q4 2009

Bank West

- Loan book at \$360.7 MM
- AgriFinancial up 12% year over year
- Non-performing loans – 1.86%
- Specific provisions at 55 bps (annualized)

SecuriCan

- Net new policies – 901 compared to 203 in Q1 2009
- Loss ratio – 44% compared to 50% in Q1 2009



Strategic Events in Q1

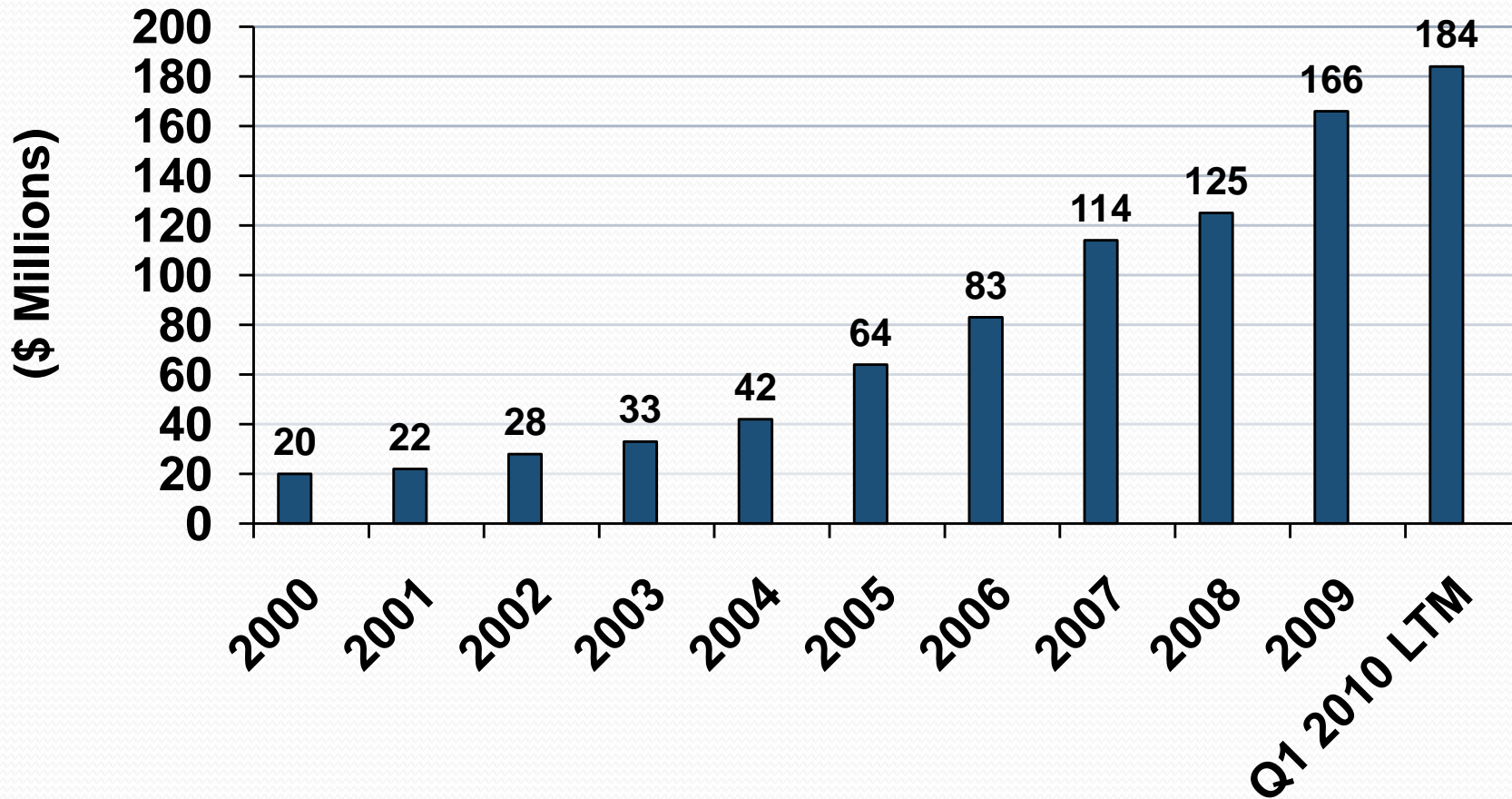
Q1 Strategic Events

- Bank West partnership/capital plan – discussions underway
- Metro Market exploration – Reviewing opportunities
- Cost and cash control

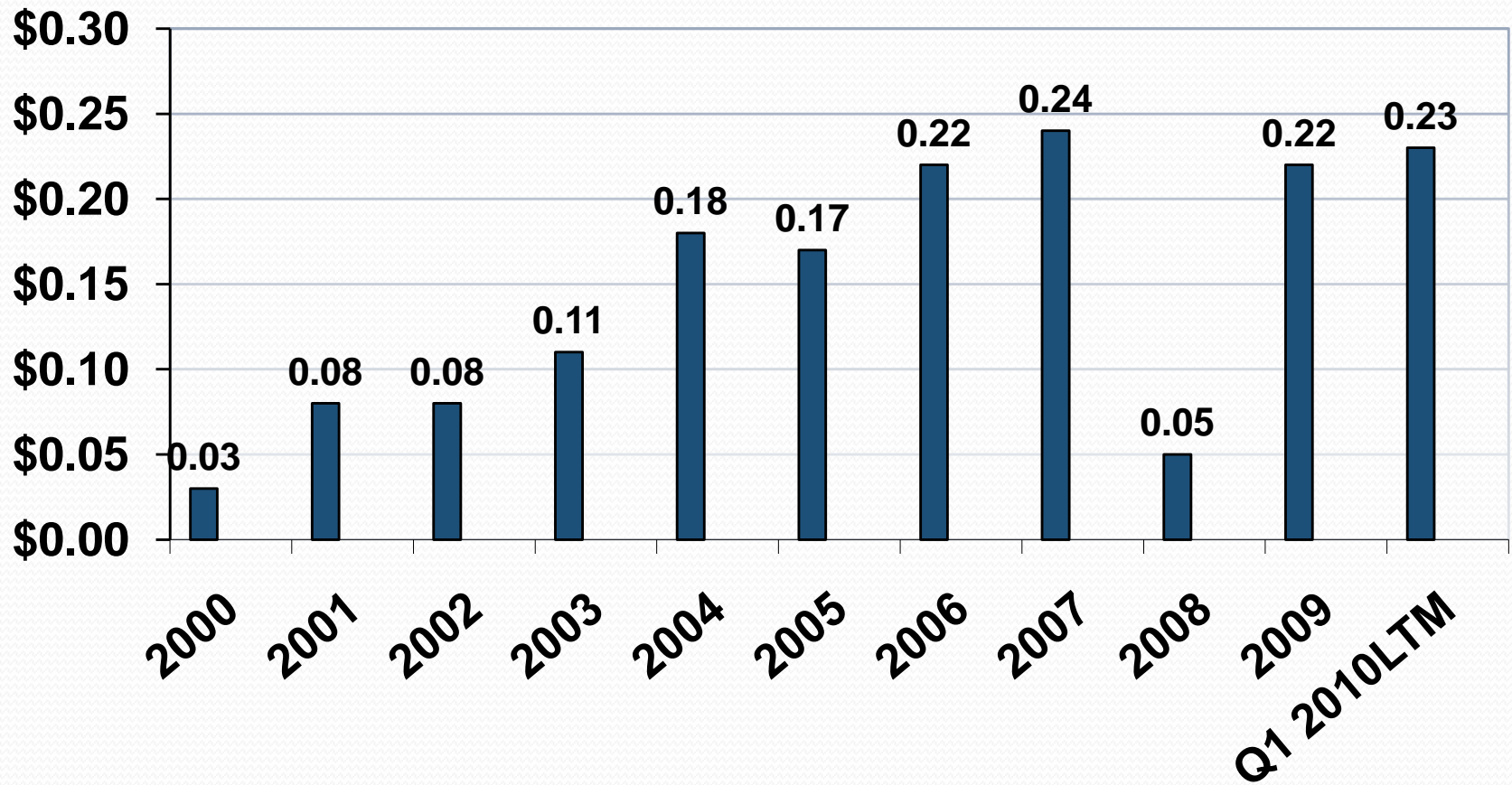


Financial Update

Total Revenue



Earnings Per Share



Overall

		2010	2009
Revenue (\$)		49,279	31,381
Operating Income		6,277	2,246
Taxes		(1,163)	586
Net Income (\$)		2,269	914
Preferred Dividends		(1,832)	(1,003)
EPS (\$)	Basic	0.01	0.00
	Diluted	0.01	0.00

The Network

	2010	2009
Commission & other customer revenue (\$)	22,420	17,522
Operating expenses (\$)	18,460	13,932
Operating income (\$)	3,960	3,590

Bank West

	2010	2009
Interest & investment income (\$)	6,610	5,537
Net interest & investment income (\$)	3,633	1,883
Operating & provision expenses (\$)	2,493	2,385
Operating income (\$)	1,140	(502)

Western Life Assurance

	2010	2009
Premium income (\$)	9,295	8,469
Investment income (\$)	1,508	(519)
Policyholder benefits (\$)	5,727	3,633
Operating expenses (\$)	3,878	3,377
Operating income (\$)	1,199	940

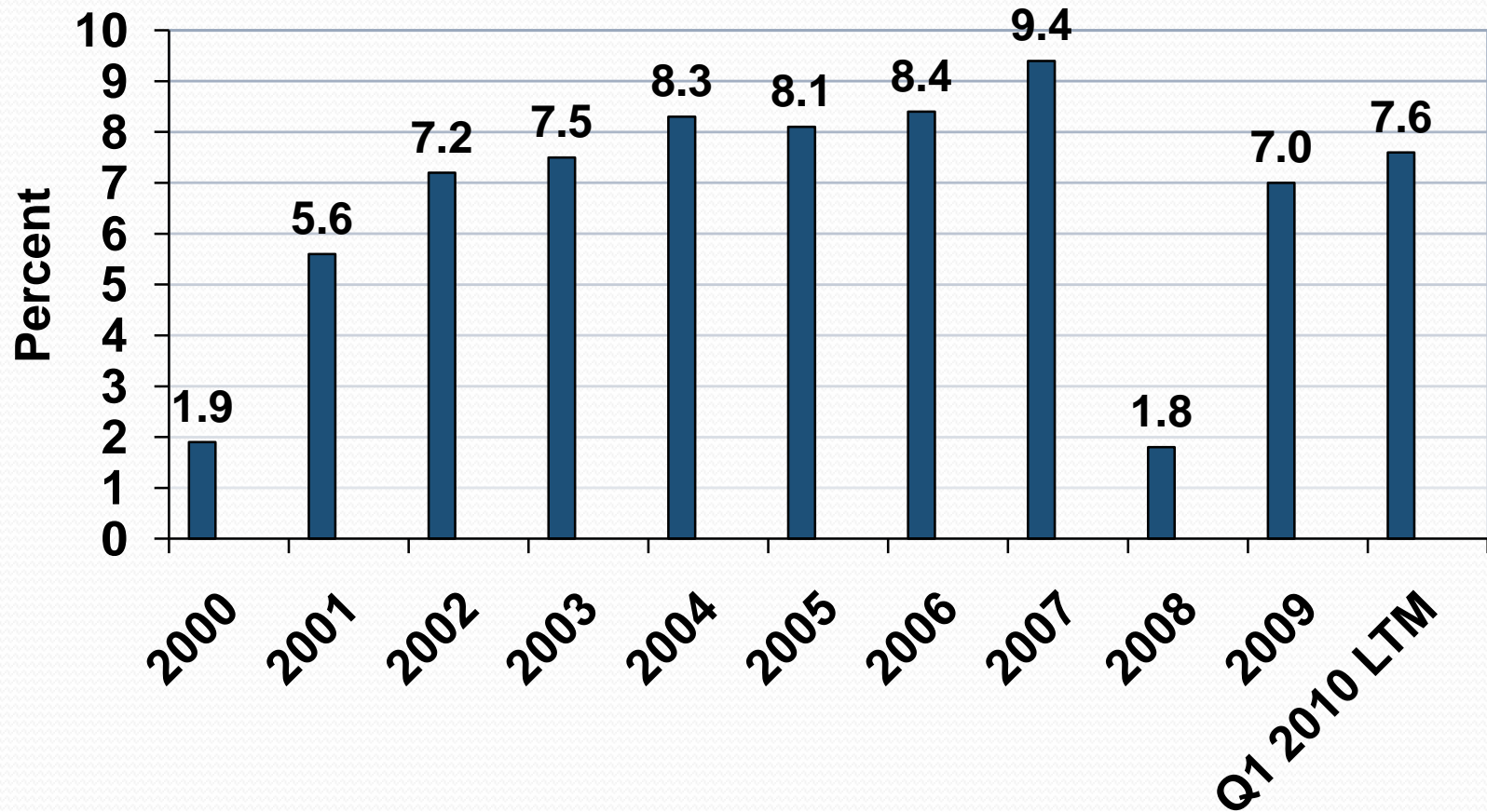
SecuriCan Insurance

	2010	2009
Premium & Investment Income	9,032	--
Policyholder Benefits	3,943	--
Operating Expense	3,050	--
Operating Income	2,061	--

Corporate & All Other

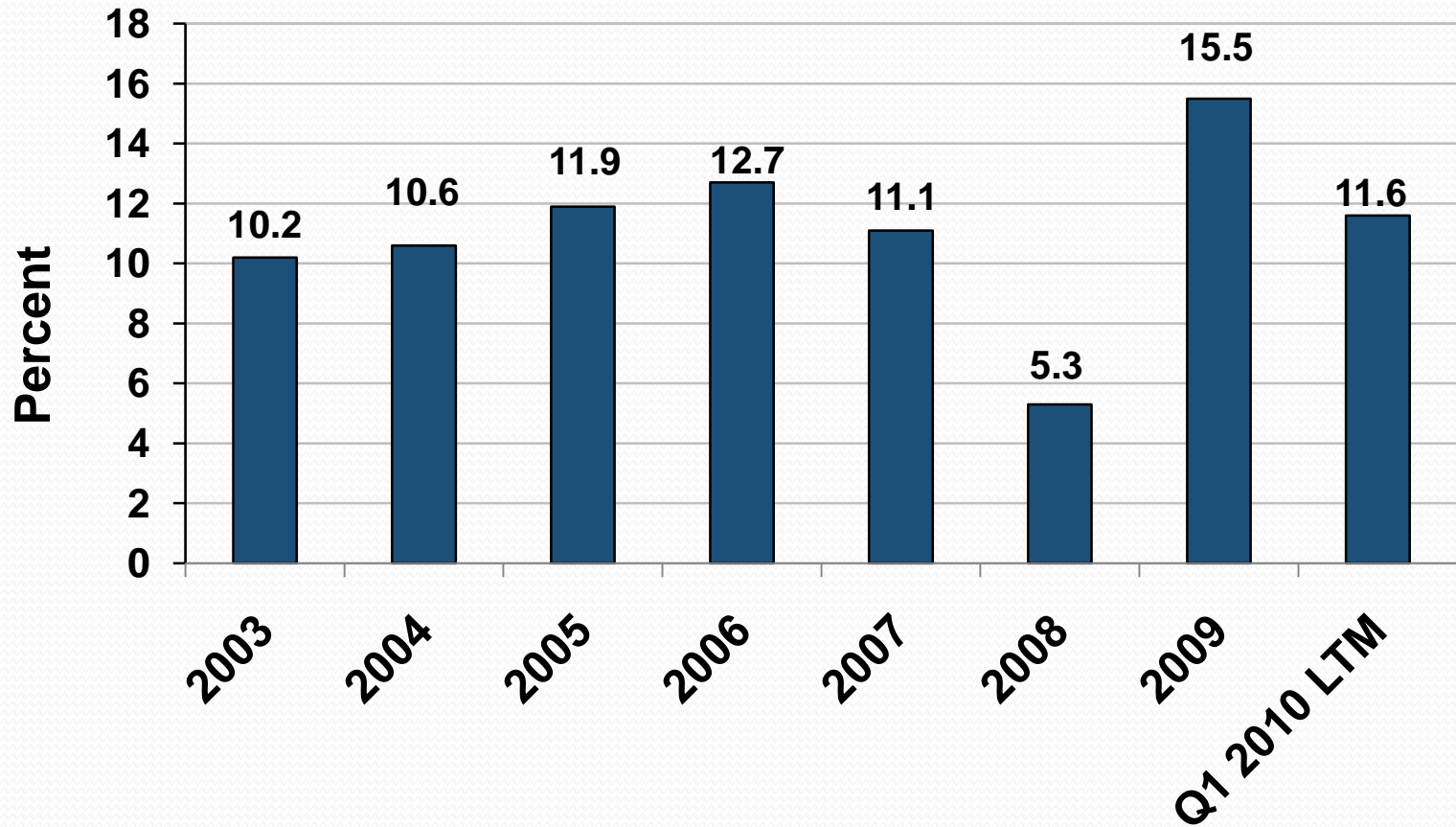
	2010	2009
Other revenues (\$)	413	372
Operating expenses (\$)	2,474	2,154
Operating loss (\$)	(1,832)	(1,782)

Historical Consolidated ROE

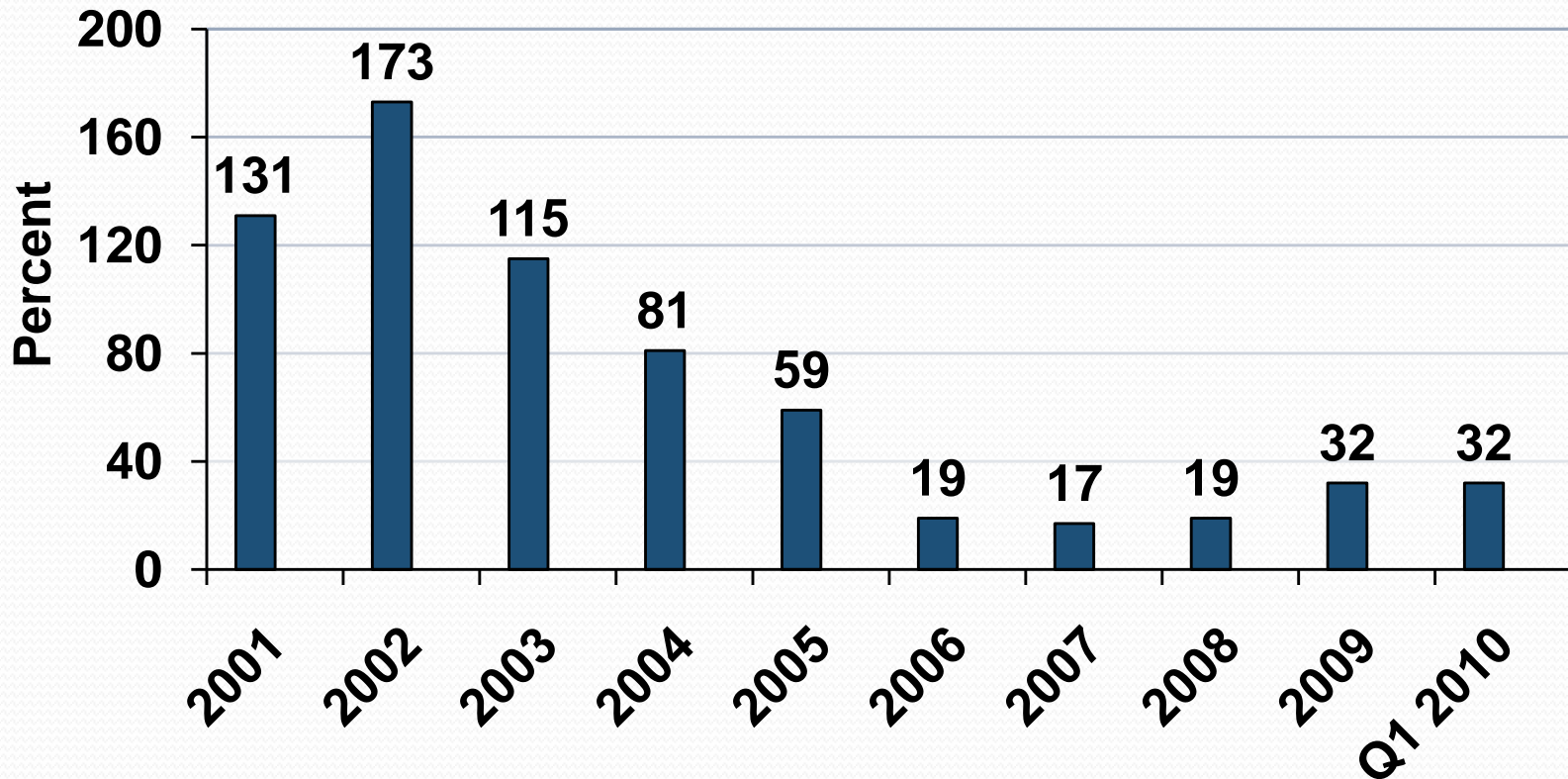


Return on Equity

(excluding Bank West)



Debt to Equity Ratio





Priorities for Q2

Q2 Priorities

- Bank West Partnership(s) , CEO Hire
- Agency acquisitions, partnership investments, pipeline
- HR, IA, Compliance – people, process, structure



Questions?