



Western Financial Group

Q3 2010 Financial Results Conference Call

November 15, 2010

Forward-Looking Statements

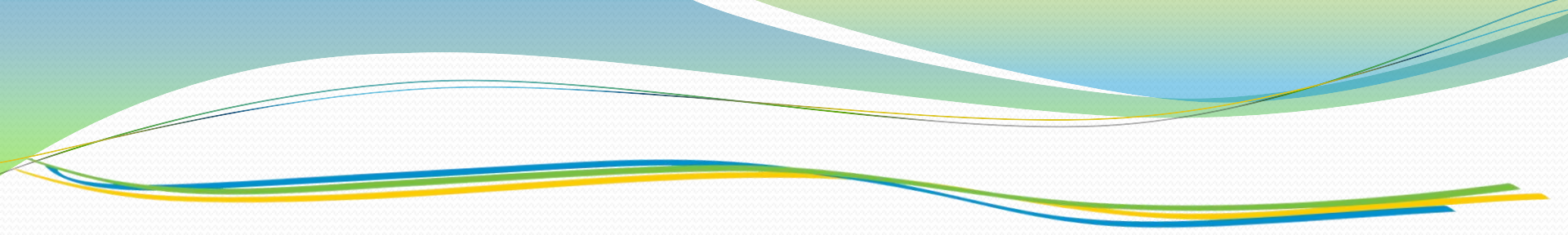
This presentation contains certain forward-looking statements. Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of 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 Q3
- Strategic Events in Q3
- Financial Update
- Priorities for Q4



Operational Progress in Q3 2010

The Network

- Same store customer count : + 1.9% and stabilizing
- Same store sales : + 4.3%
- WFGIS magnifies seasonality of Network business, although less so than Q2. Q4 heavy renewal period.

Western Life Assurance

- Certificate count growth annualized – 4.1%
- Western accounts for \$10.1 million (21% YTD) of premium revenue
- Network Term Life sales account for 41% of new business for this line
- Creditor Life sales accelerating as a result of previously announced new auto finance contract

Bank West

- Loan book at \$378.2 MM
- Non-performing loans – 1.65%
- Specific provisions at 48 bps (annualized)
- Agrifinancial flat year over year after promising start

Western Financial Insurance

- Net new policies – 3,812 compared to 2,030 in Q3 2009
- Loss ratio – 48% compared to 52% in Q3 2009
- Launched two important new partnerships – Petfirst & BCSPCA



Strategic Events in Q3

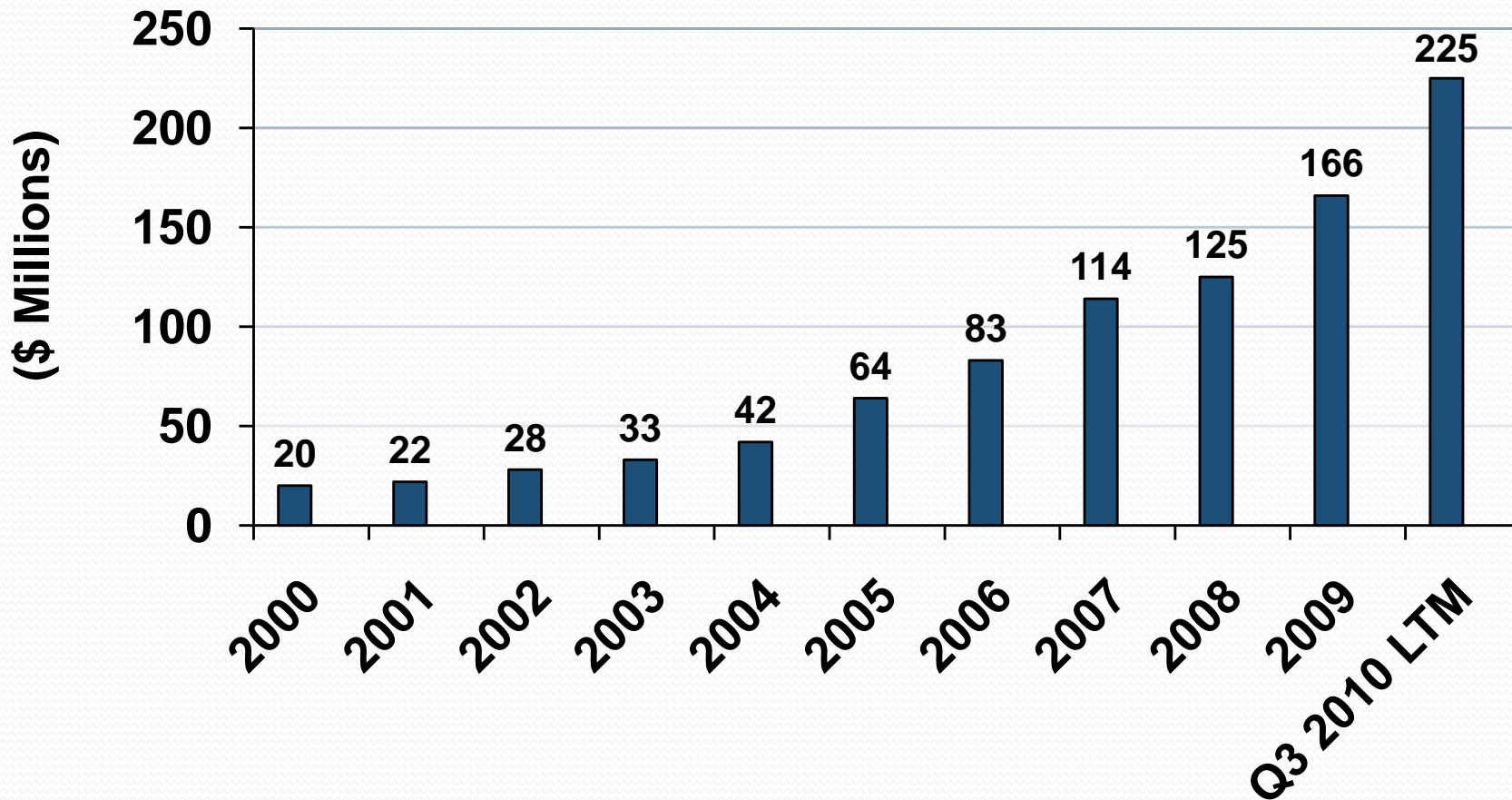
Q3 Strategic Events

- Bank West partnership – discussions progressing, decision in next 30 days
- Activity or network acquisitions increasing. Grimshaw, AB added, more to come by year end

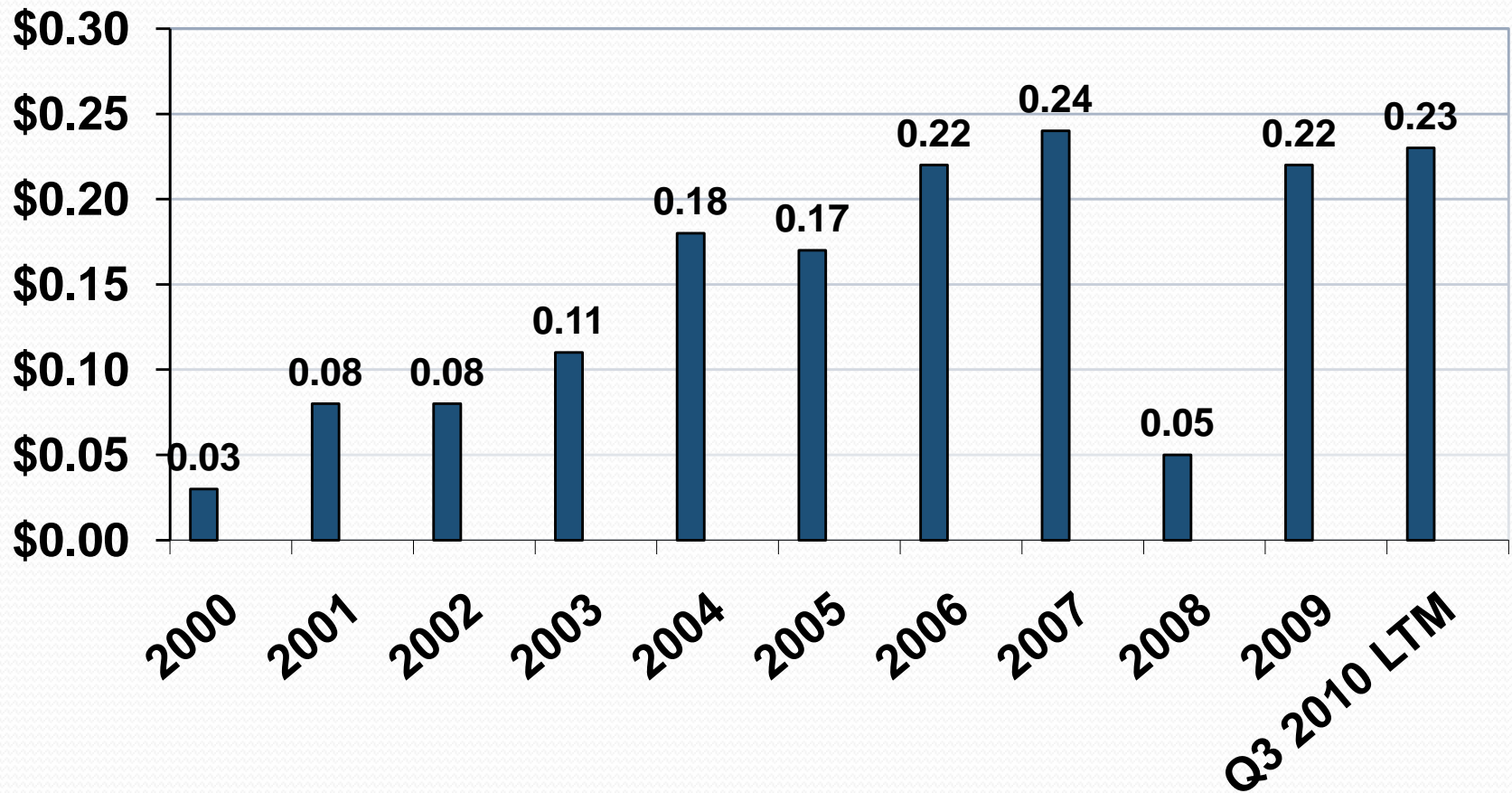


Financial Update

Total Revenue



Earnings Per Share



Overall

		2010	2009
Revenue (\$)		170,843	112,343
Operating Income		28,139	14,777
Taxes		(6,573)	(1,681)
Net Income (\$)		13,114	9,986
Preferred Dividends		(5,425)	(3,207)
EPS (\$)	Basic	0.15	0.14
	Diluted	0.15	0.13

The Network

	2010	2009
Commission & other customer revenue (\$)	81,115	61,055
Operating expenses (\$)	58,496	43,407
Operating income (\$)	22,619	17,648

Bank West

	2010	2009
Interest & investment income (\$)	20,450	19,017
Net interest & investment income (\$)	10,983	7,862
Operating & provision expenses (\$)	8,819	8,321
Operating income (\$)	2,164	(459)

Western Life Assurance

	2010	2009
Premium income (\$)	32,355	27,716
Investment income (\$)	8,124	3,336
Policyholder benefits (\$)	21,253	16,056
Operating expenses (\$)	14,303	11,370
Operating income (\$)	4,923	3,626

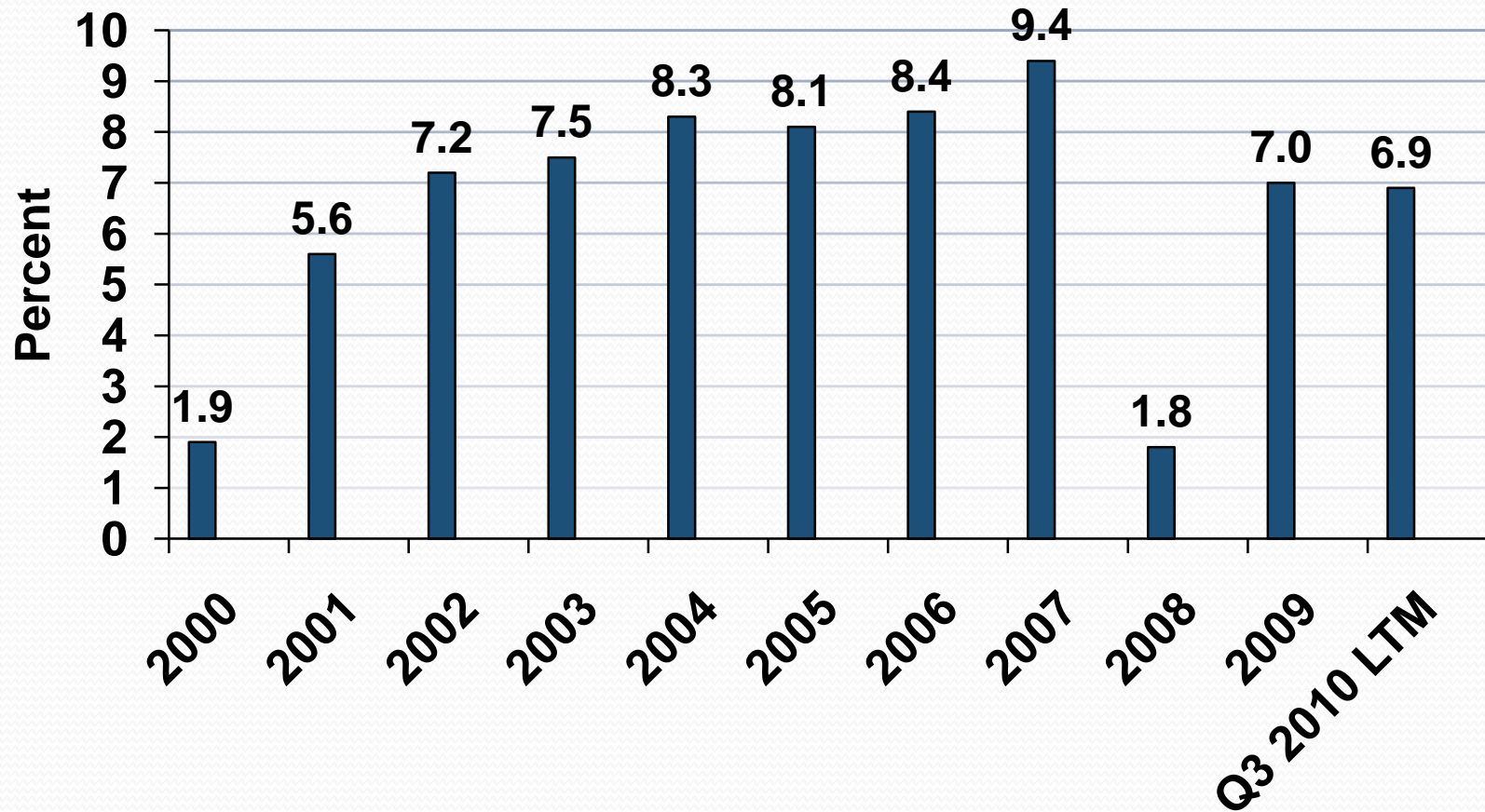
Western Financial Insurance

	2010	2009
Premium & Investment Income	27,779	--
Policyholder Benefits	12,355	--
Operating Expense	9,374	--
Operating Income	6,050	--

Corporate & All Other

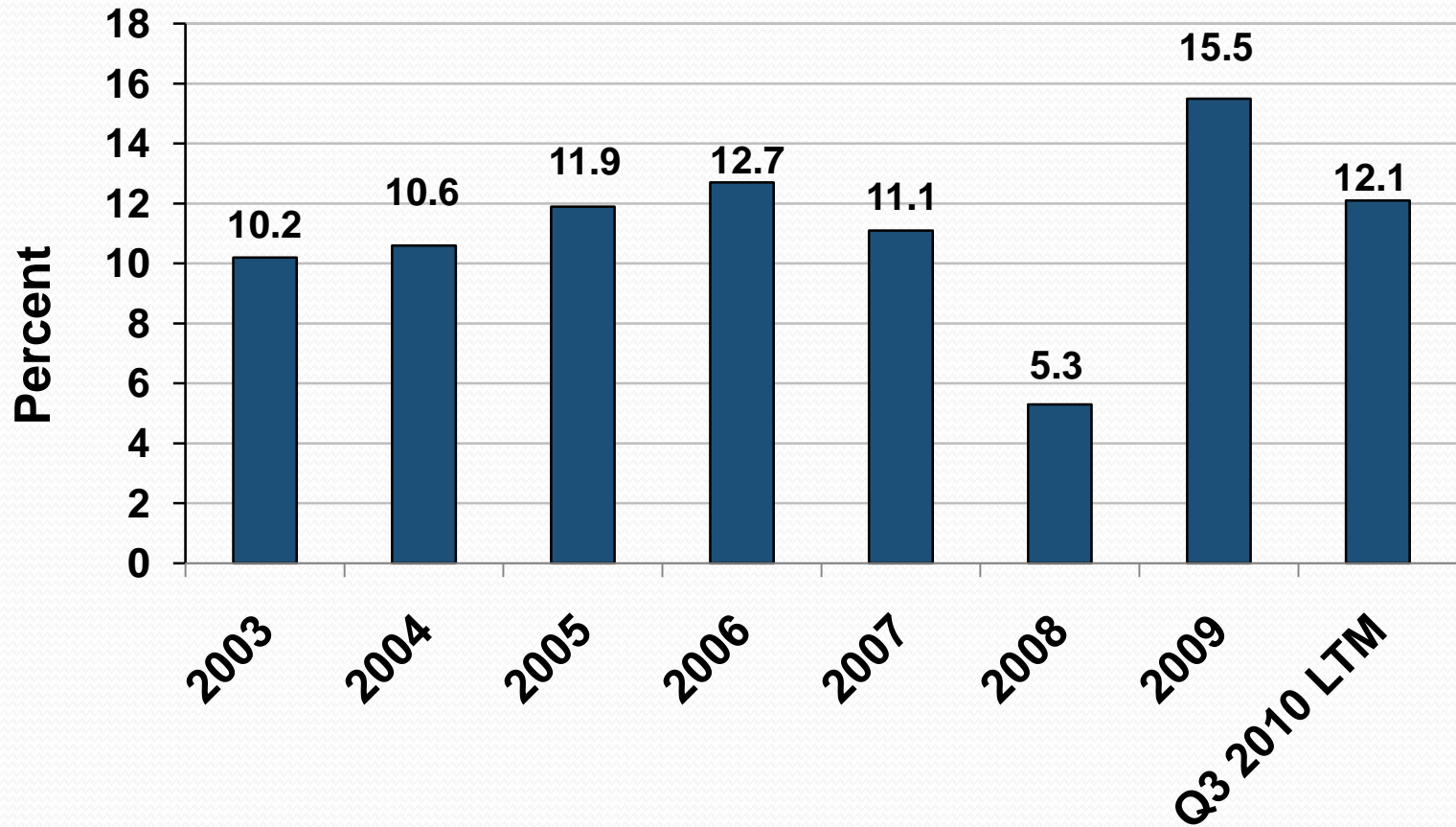
	2010	2009
Other revenues (\$)	1,020	1,219
Operating expenses (\$)	8,637	7,257
Operating loss (\$)	(7,617)	(6,038)

Historical Consolidated ROE

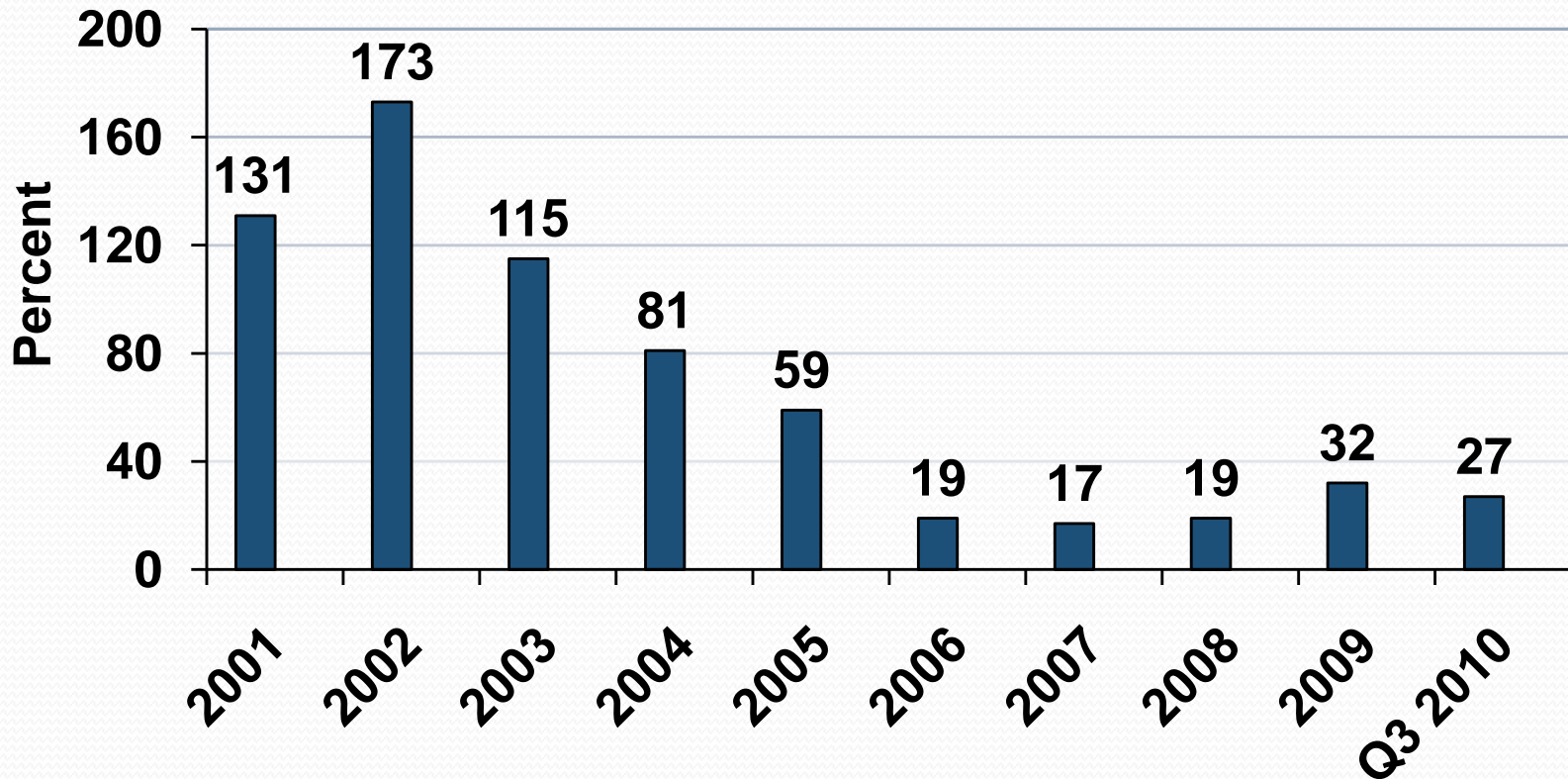


Return on Equity

(excluding Bank West)



Debt to Equity Ratio





Priorities for Q4

Q4 Priorities

- Complete Bank West partnership
- Engage acquisition pipeline
- Finalize metro strategy for 2011 execution



Questions?