

News Release

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For Immediate Release
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**WELLS FINANCIAL CORP. ANNOUNCES
CASH DIVIDEND**

Wells, Minnesota - - January 18, 2006 - - Lonnie R. Trasamar, President of Wells Financial Corp. (the Company), Wells, Minnesota, the holding company of Wells Federal Bank, fsb, (the Bank), announced that on January 17, 2006, the Company's Board of Directors declared a quarterly cash dividend of \$0.26 per share to shareholders of record on February 3, 2006, payable on February 24, 2006. The \$0.26 per share dividend is a \$0.02 increase over the dividend paid in the prior quarter.

Wells Financial Corp. and Wells Federal Bank are headquartered in Wells, Minnesota. The Bank operates nine full service offices located in Wells, Blue Earth, Mankato, Fairmont, North Mankato, Albert Lea, St. Peter, Owatonna, Minnesota and Mason City, Iowa and a loan origination office located in Farmington, Minnesota. The Bank is a community oriented, full service retail savings bank offering traditional mortgage, consumer, commercial and agricultural loan products. The Company's common stock trades on the over-the-counter market under the symbol "WEFP."