

CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF DECEMBER 31, 2016

Company Release – January 30, 2017

Full Year Net Income of \$1.2 million

Loans Increased 44%

Deposits Increased 19%

Total Assets Increased 17%

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results for the fourth quarter and the fiscal year ended December 31, 2016.

Significant items for the quarterly and annual periods include:

- Total loans increased \$1.9 million during the quarter, reaching \$91.4 million
 - 44% increase year-over-year
 - Allowance for Loan Losses to Gross Loans at 2.9%
- Total deposits increased \$805,000 during the quarter, reaching \$141 million
 - 20% increase year-over-year
 - 36% of deposits are non-interest bearing
- Net interest income was \$1.3 million for the quarter and \$4.4 million for the year
 - 21% improvement year-over-year
 - Net interest margin improved to 3.30%
- Net income was \$633,000 for the quarter and \$1.2 million for the year, compared to a loss of (\$724,000) in 2015

“Our momentum continued into the fourth quarter with loans, deposits, total assets, net interest income and net income all improving quarter-over-quarter”, noted Glenn Gray, President and CEO of CalWest Bancorp and South County Bank. “We completed the year exceeding all of our goals, became profitable on a core earnings basis and improved our fourth-quarter expense to revenue (efficiency) ratio to 70%.”

CalWest Bancorp is the parent company of South County Bank, a community bank recognized for its exemplary service to entrepreneurs and high net worth individuals located throughout Southern California. The Bank serves the business community through its four branches located in Rancho Santa Margarita, Irvine, Huntington Beach and Redlands.

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Source: CalWest Bancorp

This release may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact Bancorp's earnings in future periods. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "intend," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may." Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, the economic uncertainty in the United States and abroad, changes in interest rates, deposit flows, real estate values, expected future cash flows on acquired loans, and competition; changes in accounting principles, policies or guidelines; changes in legislation or regulation; and other economic, competitive, governmental, regulatory and technological factors affecting Bancorp's operations, pricing, products and services. Bancorp undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

**STATEMENT OF CONDITION
(UNAUDITED)**

ASSETS	End of Period		Annual Change %
	12/31/2016	12/31/2015	
Cash & Due from Banks	\$ 4,662,975	\$ 3,265,495	43%
Federal Funds Sold and Interest Bearing Balances	19,682,000	19,924,000	-1%
Total Cash and Cash Equivalent	24,344,975	23,189,495	5%
Investment Securities	35,401,090	41,832,762	-15%
Loans held for sale	1,305,356	363,451	259%
Real Estate Loans	73,825,077	47,827,678	54%
Commercial and Industrial Loans	15,909,298	14,904,960	7%
Consumer Loans	355,020	570,159	-38%
Gross Loans	90,089,395	63,302,797	42%
Deferred Loan Fees and Discounts	104,937	(108,682)	-197%
Loans Net of Def Fees and Discounts	90,194,332	63,194,115	43%
Allowance for Loan Losses	(2,653,860)	(2,653,862)	0%
Net Loans	87,540,472	60,540,253	45%
Federal Reserve Bank, Federal Home Loan Bank, and Correspondent Bank Stocks - at cost	1,284,950	1,093,800	17%
Bank Premises and Equipment	158,831	195,755	-19%
Bank Owned Life Insurance	5,982,386	6,547,913	-9%
Other Assets	1,896,925	916,252	107%
Total Assets	\$ 157,914,985	\$ 134,679,681	17%

LIABILITIES AND CAPITAL	End of Period		Annual Change %
	12/31/2016	12/31/2015	
Non-Interest Bearing Demand Deposits	\$ 51,082,241	\$ 46,604,490	10%
Int-Bearing Transaction Accounts	8,446,645	8,460,599	0%
Savings Deposits	21,021,824	15,509,732	36%
Money Market Deposits	23,195,190	23,150,631	0%
Certificate of Deposits	30,705,393	24,650,889	25%
Wholesale Brokered Deposits	7,010,806	-	100%
Total Deposits	141,462,099	118,376,341	20%
Subordinated debentures	3,093,000	3,093,000	0%
Subordinated notes	-	605,000	-100%
Total Deposits and Int-Bearing liabilities	144,555,099	122,074,341	18%
Other Liabilities	388,477	1,209,470	-68%
Total Capital	12,971,409	11,395,870	14%
Total Liabilities and Capital	\$ 157,914,985	\$ 134,679,681	17%

CREDIT QUALITY DATA (UNAUDITED)	End of Period		Annual Change %
	12/31/2016	12/31/2015	
Non-Accruing Loans	\$ 194,224	\$ 262,086	-26%
Foreclosed Assets	\$ -	\$ -	0%
Total Nonperforming Assets	\$ 194,224	\$ 262,086	
Nonperforming Loans to Gross Loans	0.22%	0.41%	
Nonperforming assets to Loans	0.22%	0.41%	
Allowance for Loan Losses to Gross Loans	2.94%	4.20%	

CAPITAL RATIOS (SOUTH COUNTY BANK)	End of Period	
	12/31/2016	12/31/2015
Tier 1 Leverage Ratio	10.27%	10.90%
Tier 1 Risk Based Capital Ratio	15.00%	20.08%
Total Risk Based Capital Ratio	16.27%	21.36%

**CONSOLIDATED INCOME STATEMENT
(IN \$000, UNAUDITED)**

	3-Month Period Ended			12-Month Period Ended		
	12/31/2016	12/31/2015	% Change	12/31/2016	12/31/2015	% Change
Interest Income	\$ 1,451	\$ 1,031	41%	\$ 5,036	\$ 4,291	17%
Interest Expense	176	188	-6%	637	651	-2%
Net Interest Income	1,275	843	51%	4,399	3,640	21%
Provisions for Loan & Lease Losses	(90)	(120)	-25%	(432)	(562)	-23%
Net Interest after Loan Loss Provisions	1,365	963	42%	4,831	4,202	15%
Service Charges	123	132	-7%	507	528	-4%
Bank-Owned Life Insurance Income	404	48	742%	548	189	190%
Gain (Loss) on Investments	-	-	0%	124	116	7%
Other Non-Interest Income	29	40	-28%	254	156	63%
Total Non-Interest Income	556	220	153%	1,433	989	45%
Salaries & Benefits	775	679	14%	2,914	2,756	6%
Occupancy Expense	99	94	5%	392	384	2%
Other Non-Interest Expenses	414	1,428	-71%	1,751	2,773	-37%
Total Non-Interest Expense	1,288	2,201	-41%	5,057	5,913	-14%
Income Before Taxes	633	(1,018)	162%	1,207	(722)	267%
Provision for Income Taxes	-	-	0%	2	2	0%
Net Income	\$ 633	\$ (1,018)	162%	\$ 1,205	\$ (724)	266%

**PER SHARE DATA
(UNAUDITED)**

	3-Month Period Ended			12-Month Period Ended		
	12/31/2016	12/31/2015	% Change	12/31/2016	12/31/2015	% Change
Basic Earnings per Share	\$ 0.01	\$ (0.11)	108%	\$ 0.02	\$ (0.17)	110%
Diluted Earnings per Share	\$ 0.01	\$ (0.11)	108%	\$ 0.02	\$ (0.17)	110%
Common Dividends	\$ -	\$ -	0%	\$ -	\$ -	0%
Weighted Average Shares Outstanding	74,036,125	9,369,314	690%	73,031,604	4,247,515	1619%
Weighted Average Diluted Shares	74,036,125	9,369,314	690%	73,031,604	4,247,515	1619%
Book Value per Basic Share (EOP)	\$ 0.18	\$ 0.16		\$ 0.18	\$ 0.16	
Common Shares Outstanding (EOP)	74,036,505	72,521,488	2%	74,036,505	72,521,488	2%

**KEY FINANCIAL RATIOS
(UNAUDITED)**

	3-Month Period Ended		12-Month Period Ended	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Return on Average Equity (annualized)	17.22%	-46.60%	8.07%	-8.51%
Return on Average Assets (annualized)	1.64%	-3.02%	0.83%	-0.54%
Net Interest Margin (Tax-Equivalent)	3.30%	2.50%	3.03%	2.91%
Efficiency Ratio	70.34%	207.06%	86.71%	127.74%
Net Charge-offs to Gross Loans	-0.10%	-0.19%	-0.48%	-0.85%

AVERAGE EQUITY	\$ 14,706,755	\$ 8,738,334	\$ 14,931,535	\$ 8,507,971
AVERAGE ASSETS	\$ 154,711,702	\$ 134,641,597	\$ 145,669,633	\$ 134,619,288
RECOVERIES	\$ 89,654	\$ 119,697	\$ 434,039	\$ 590,581
CHARGEOFFS	\$ -	\$ -	\$ 2,410	\$ 54,510
NET CHARGEOFFS	\$ (89,654)	\$ (119,697)	\$ (431,629)	\$ (536,071)
GROSS LOANS	\$ 90,089,395	\$ 63,302,797	\$ 90,089,395	\$ 63,302,797
EARNING ASSETS	\$ 145,277,422	\$ 124,950,877	\$ 145,277,422	\$ 124,950,877
NET INTEREST MARGIN	3.30%	2.50%	3.03%	2.91%