

## **CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF JUNE 30, 2012**

Company Release – July 30, 2012

**Year-to-date net income of \$169,000**

**Non-performing loans decreased 48.3% year-over-year, to 3.9% of total assets**

**OREO assets decreased 30% year-over-year**

**Allowance for credit losses ended the quarter at 4.8% of total loans**

**Net Interest Income after loan loss provision improved 4.7% from the same period prior year**

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results as of the second quarter 2012. The Company's year-to-date net income was \$169,000. This represents an \$863,000 improvement over the net loss of (\$694,000) for the same period prior year.

Significant items for the period ending June 30, 2012 include:

- The Company's year-to-date net income of \$169,000 compares to a net loss of (\$694,000) for the same six months ended June 30, 2011, representing an \$863,000 improvement over the prior year results
- Total assets reached \$150.7 million, an increase of 3.5% since FYE 12/31/11
- Non-performing loans continue to decline to \$5.9 million, or 3.9% of total assets. This compares to \$11.4 million, or 6.8% of total assets a year ago; an improvement of 48.3%
- Loans past due declined to .04%, an improvement of 2.1% over last year
- No additional loan loss provision has been required thus far this year, and the ALLL reserve remains at a healthy 4.8% of total loans
- Other Real Estate Owned Assets decreased to \$700,000, down from \$1.0 million as of June 30, 2011; representing a 31% reduction in OREO assets
- The Bank's Texas Ratio decreased to 47.9%, compared to 90.3% at June 30 2011
- Non-interest bearing deposits, which represent 36% of total deposits, increased by 7.7% to \$50.5 million from \$46.9 million as of June 30, 2011. The Bank's current and contingent liquidity continues to be strong

- The cost of deposits continued to decline, reaching 0.52%, down from 0.72% a year ago, resulting from an increase in core deposits and less reliance on wholesale funding
- Non-interest income increased by 31.4% to \$913,000 up from \$695,000 as of June 30, 2011
- Operating expenses decreased 15%, from the same period a year ago
- The risk-based capital ratio and the leverage capital ratio both improved to 12.94% and 6.25% respectively, up from 10.57% and 5.54 respectively as of June 30, 2011

CalWest Bancorp is the parent company of South County Bank, a community bank recognized for its exemplary service to entrepreneurs, high net worth individuals and non-profit organizations 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

***Forward Looking Comments: The statements contained in this release that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on the Bank. There can be no assurance that future developments affecting the Bank will be those anticipated by management. Actual results may differ from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties.***

**CalWest Bancorp Financial Summary**

	UNAUDITED		UNAUDITED	
	At or For the Three Months		At or For the Six Months	
	Ended June 30,		Ended June 30,	
	2012	2011	2012	2011
<b>Summary of Operations: (In thousands \$)</b>				
Interest income	\$ 1,355	\$ 1,494	\$ 2,795	\$ 3,080
Interest expense	218	311	457	658
Net interest income	1,137	1,183	2,338	2,422
Provision for loan losses	-	-	-	189
Net interest income (loss) after provision for loan losses	1,137	1,183	2,338	2,233
Non-interest income	494	369	913	695
Non-interest expense	1,593	1,828	3,080	3,620
Income before income taxes	38	(276)	171	(692)
Preferred Stock Dividends				
Income taxes	2	2	2	2
Net income (loss)	\$ 36	\$ (278)	\$ 169	\$ (694)
<b>Per Share Data: (Not in thousands \$)</b>				
Income (Loss) per share - basic	\$ 0.02	\$ (0.12)	\$ 0.07	\$ (0.29)
Average shares outstanding - basic	2,415,530	2,413,730	2,415,530	2,413,730
<b>Balance Sheet Summary: (In thousands \$)</b>				
Total assets	\$ 150,762	\$ 167,082	\$ 150,762	\$ 167,082
Investment securities	\$ 62,824	\$ 47,554	\$ 62,824	\$ 47,554
Loans, net of deferred fees	\$ 74,391	\$ 88,231	\$ 74,391	\$ 88,231
Allowance for loan losses ("ALL")	\$ 3,591	\$ 3,952	\$ 3,591	\$ 3,952
Total deposits	\$ 139,494	\$ 154,783	\$ 139,494	\$ 154,783
Total shareholders' equity	\$ 6,425	\$ 6,203	\$ 6,425	\$ 6,203
<b>Selected Data (In thousands \$) and Ratios:</b>				
Other Real Estate Owned	\$ 700	\$ 1,015	\$ 700	\$ 1,015
Non-performing Loans	\$ 5,892	\$ 11,388	\$ 5,892	\$ 11,388
Delinquent Loans	\$ 28	\$ 1,638	\$ 28	\$ 1,638
Non-Interest Bearing Deposits	\$ 50,458	\$ 46,869	\$ 50,458	\$ 46,869
Interest Bearing Deposits	\$ 89,036	\$ 107,914	\$ 89,036	\$ 107,914
Texas Ratio	47.94%	90.28%	47.94%	90.28%
Return on average assets	0.09%	-0.34%	0.22%	-0.84%
Return on average shareholders equity	2.24%	-8.96%	5.26%	-22.38%
Net interest margin	3.35%	3.19%	3.35%	3.19%
Cost of Deposits	0.52%	0.72%	0.52%	0.72%
ALLL to loans ratios	4.83%	4.48%	4.83%	4.48%
Net loans to deposits ratio	50.75%	54.45%	50.75%	54.45%
Bank leverage capital ratio	6.25%	5.54%	6.25%	5.54%
Bank total risk based capital ratio	12.94%	10.57%	12.94%	10.57%
Employees (full time equivalent) (Not in thousands)	36	39	36	39