

CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF SEPTEMBER 30, 2013

Company Release – November 8, 2013

Year-to-date net loss of \$208,000

Non-performing loans decrease quarter-over-quarter by 2.6%

Net Loans increased quarter-over-quarter by 8.9%

Texas Ratio decreased to 45.1% from 70.0% from a year ago

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results for the nine-months ended September 30, 2013. Significant items for the period ending include:

- Quarterly net loss of (\$149,000) compared to a net loss of (\$757,000) for the same period last year
- Reversing a year-long trend, loans increased over the previous quarter by 8.9% or \$5.1 million
- No additional loan loss provision was required; resulting in the ALLL ratio decreasing from 5.95% to 5.54% due to the increase in new loans
- Total assets increased 1.8% to \$147 million from \$144 million at the previous quarter-end
- Non-performing loans reduced 2.6% quarter-over-quarter, and are down \$5.2 million or 57% from a year ago
- Non-interest bearing deposits maintained at 35% of total deposits, helping keep the cost-of-deposits at 0.40%, down from 0.46% a year ago
- Net Interest Income for the quarter improved 2.5% from the previous quarter as organic loan growth is beginning to build
- Non-interest expenses continue to improve, decreasing 2.7% quarter-over-quarter
- Leverage Capital and Total Risk Based Capital Ratios at 5.3% and 12.0%

“Our strategy of reducing non-performing assets and operating expenses while focusing on organic loan growth more than gain-on-sale is beginning to have a positive impact on our core earnings”, noted Glenn Gray, CEO and President of CalWest Bancorp and South County Bank. “We expect some additional reduction in our non-performing assets by year-end and our new loan pipeline looks encouraging as we conclude Q4 and head into 2014.”

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 Nine Months	
	Ended September 30,		Ended September 30	
	2013	2012	2013	2012
Summary of Operations: (In thousands \$)				
Interest income	\$ 1,082	\$ 1,190	\$ 3,239	\$ 3,985
Interest expense	171	207	530	664
Net interest income	911	983	2,709	3,321
Provision for loan losses	-	850	-	850
Net interest income (loss) after provision for loan losses	911	133	2,709	2,471
Non-interest income	209	615	996	1,528
Non-interest expense	1,269	1,505	3,911	4,585
Income before income taxes	(149)	(757)	(206)	(586)
Income taxes	-	-	2	2
Net Income (Loss)	\$ (149)	\$ (757)	\$ (208)	\$ (588)
Per Share Data: (Not in thousands \$)				
Income (Loss) per share - basic	\$ (0.06)	\$ (0.31)	\$ (0.08)	\$ (0.24)
Shares outstanding - basic	2,521,488	2,415,530	2,521,488	2,415,530
Balance Sheet Summary: (In thousands \$)				
Total assets	\$ 146,958	\$ 151,591	\$ 146,958	\$ 151,591
Cash and Due From	\$ 6,412	\$ 6,339	\$ 6,412	\$ 6,339
Investment securities	\$ 61,067	\$ 52,242	\$ 61,067	\$ 52,242
Fed Funds Sold	\$ 12,030	\$ 17,740	\$ 12,030	\$ 17,740
Loans, net of deferred fees	\$ 62,058	\$ 70,288	\$ 62,058	\$ 70,288
Allowance for loan losses ("ALL")	\$ 3,440	\$ 4,470	\$ 3,440	\$ 4,470
Other Real Estate Owned	\$ 990	\$ 700	\$ 990	\$ 700
Non-Interest Bearing Deposits	\$ 48,927	\$ 48,694	\$ 48,927	\$ 48,694
Interest Bearing Deposits	\$ 90,460	\$ 92,289	\$ 90,460	\$ 92,289
Total deposits	\$ 139,387	\$ 140,983	\$ 139,387	\$ 140,983
Subordinated Debentures and Notes	\$ 3,698	\$ 3,723	\$ 3,698	\$ 3,723
Total shareholders' equity	\$ 2,979	\$ 5,666	\$ 2,979	\$ 5,666
Selected Data (In thousands \$) and Ratios:				
Non-performing Loans	\$ 3,862	\$ 9,062	\$ 3,862	\$ 9,062
30 - 120 Days Delinquent Loans	\$ 199	\$ 69	\$ 199	\$ 69
Bank Texas Ratio	45.13%	70.03%	45.13%	70.03%
Return on average assets	-0.42%	-2.00%	-0.19%	-0.52%
Return on average shareholders equity	-20.01%	-53.44%	-9.31%	-13.84%
Net interest margin	2.77%	2.98%	2.77%	2.98%
Cost of Deposits	0.40%	0.46%	0.40%	0.46%
ALL to loans ratios	5.54%	6.36%	5.54%	6.36%
Net loans to deposits ratio	42.05%	46.69%	42.05%	46.69%
Bank leverage capital ratio	5.29%	6.00%	5.29%	6.00%
Bank total risk based capital ratio	12.00%	12.84%	12.00%	12.84%
Employees (full time equivalent) (Not in thousands)	38	34	38	34