

CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF DECEMBER 31, 2012

IRVINE, California, February 8, 2013 – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results for the three months and year ended December 31, 2012. Significant items for the periods then ending include:

- Quarterly net loss of \$1.5 million and full year net loss of \$2.1 million.
- Non-performing loans reduced 22.0% since last year, from \$9.1 million to \$6.9 million; however, given the reduction in total loans, non-performing loans represented 10.6% of total loans at year end.
- A loan loss provision of \$1.1 million, substantially relating to the impairment of the non-performing loan noted last quarter, was recorded in December 2012; the full year loan loss provision was \$1.9 million.
- Allowance for credit losses ended the quarter at 5.5% of total loans.
- Within the performing loan portfolio, only 0.1% was delinquent, an improvement from 0.8% last year.
- Other Real Estate Owned Assets was reduced from \$700,000 at September 30, 2012 to \$549,000 as of December 31, 2012, representing a 21.6% reduction in OREO assets.
- Total assets were \$150.6 million, an increase of 3.4% since FYE 12/31/11.
- Total deposits increased \$7.7 million or 5.7% year-over-year to \$141.4 million at December 31, 2012, with non-interest bearing deposits continuing to represent 33% of total deposits.
- The cost of deposits continued to decline, reaching 0.45%, resulting from an increase in core deposits and less reliance on wholesale funding.
- Non-interest income decreased quarter-over-quarter by 60% and year-over-year by 12% as less reliance was placed on gains from the sale of SBA loans and securities.
- Operating expenses decreased 5%, from the same period a year ago.
- The Risk-Based Capital Ratio and the Leverage Capital Ratio ended the year at 11.57% and 5.11% respectively, down from 12.43% and 6.30% respectively as of December 31, 2011.

Commenting on the Bank's results, Glenn Gray, the Bank's president and chief executive officer, stated, "While disappointed with the results in the second half of the year, it was a period requiring difficult and unpleasant decisions that we believe ultimately improves the Bank's position going forward. Although it is challenging to predict the exact performance of a loan portfolio, at this time management believes the allowance for loan losses is adequate. During this coming year we will continue to focus on reducing non-performing loans while adding to our staff to generate organic loan and deposit growth. Additionally, our parent company is exploring strategic alternatives aimed at restoring the Bank's capital."

CalWest Bancorp is the parent company of South County Bank, a community bank founded in October 1999. The Bank is 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 Twelve Months	
	Ended December 31,		Ended December 31,	
	2012	2011	2012	2011
Summary of Operations: (In thousands \$)				
Interest income	\$ 1,214	\$ 1,359	\$ 5,199	\$ 5,894
Interest expense	198	248	862	1,195
Net interest income	1,016	1,111	4,337	4,699
Provision for loan losses	1,131	-	1,981	189
Net interest income (loss) after provision for loan losses	(115)	1,111	2,356	4,510
Non-interest income	244	559	1,772	2,024
Non-interest expense	1,631	1,716	6,216	6,972
Income before income taxes	(1,502)	(46)	(2,088)	(438)
Income taxes	-	-	2	2
Net Income (Loss)	\$ (1,502)	\$ (46)	\$ (2,090)	\$ (440)
Per Share Data: (Not in thousands \$)				
Income (Loss) per share - basic	\$ (0.62)	\$ (0.02)	\$ (0.87)	\$ (0.18)
Average shares outstanding - basic	2,415,530	2,413,730	2,415,530	2,413,730
Balance Sheet Summary: (In thousands \$)				
Total assets	\$ 150,596	\$ 145,615	\$ 150,596	\$ 145,615
Cash and Due From	\$ 5,303	\$ 4,403	\$ 5,303	\$ 4,403
Investment securities	\$ 63,249	\$ 50,678	\$ 63,249	\$ 50,678
Fed Funds Sold	\$ 12,740	\$ 5,365	\$ 12,740	\$ 5,365
Loans, net of deferred fees	\$ 64,843	\$ 79,862	\$ 64,843	\$ 79,862
Allowance for loan losses ("ALL")	\$ 3,550	\$ 3,897	\$ 3,550	\$ 3,897
Other Real Estate Owned	\$ 549	\$ 1,015	\$ 549	\$ 1,015
Non-Interest Bearing Deposits	\$ 47,283	\$ 50,142	\$ 47,283	\$ 50,142
Interest Bearing Deposits	\$ 94,153	\$ 83,603	\$ 94,153	\$ 83,603
Total deposits	\$ 141,436	\$ 133,745	\$ 141,436	\$ 133,745
Other Borrowings	\$ -	\$ 1,000	\$ -	\$ 1,000
Subordinated Debentures and Notes	\$ 3,723	\$ 3,723	\$ 3,723	\$ 3,723
Total shareholders' equity	\$ 4,257	\$ 6,298	\$ 4,257	\$ 6,298
Selected Data (In thousands \$) and Ratios:				
Non-performing Loans	\$ 6,888	\$ 8,819	\$ 6,888	\$ 8,819
30 - 120 Days Delinquent Loans	\$ 45	\$ 588	\$ 45	\$ 588
Texas Ratio	63.83%	71.47%	63.83%	71.47%
Return on average assets	-4.02%	-0.12%	-1.40%	-0.58%
Return on average shareholders equity	-141.13%	-2.92%	-49.10%	-6.99%
Net interest margin	2.86%	3.86%	2.86%	3.86%
Cost of Deposits	0.45%	0.47%	0.45%	0.47%
ALLL to loans ratios	5.47%	4.88%	5.47%	4.88%
Net loans to deposits ratio	43.34%	56.80%	43.34%	56.80%
Bank leverage capital ratio	5.11%	6.30%	5.11%	6.30%
Bank total risk based capital ratio	11.57%	12.43%	11.57%	12.43%
Employees (full time equivalent) (Not in thousands)	34	37	34	37