

## **CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF DECEMBER 31, 2013**

Company Release – February 3, 2014

**Full Year net income of \$229,167**

**Non-performing loans decrease year-over-year by 74.9%**

**Texas Ratio decreased to 26.7% from 65.5% 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 twelve-months ended December 31, 2013. Significant items for the period ending include:

- Full year net income of \$229,167 compared to a loss of (\$2.1 million) for FY 2012
- Non-performing loans reduced 55.3% quarter-over-quarter, and are down \$5.2 million or 74.9% from a year ago
- After a negative loan loss provision of \$500,000 in the 4Q 2013, the allowance for loan and lease losses (ALLL) ratio remains high at 4.8%
- Total assets decreased 2.5% to \$143 million; new loan volume was offset by the sale of non-performing loans and principal reductions at year-end
- Non-interest bearing deposits were 35% of total deposits, helping keep the cost-of-deposits at 0.39%, down from 0.45% a year ago
- Net Interest Income for the quarter improved 12.7% from the previous quarter as organic loan growth continues and non-accrual loans decrease
- Non-interest expenses decreased 13.9% year-over-year
- Bank Tier 1 Leverage Capital ratio ended the year at 5.53% up from 5.11% last year
- Bank Total Risk Based Capital ratio ended the year at 12.35% up from 11.57% last year

“The significant reduction in non-performing assets came from a combination of selling some non-performing loans and upgrading several loans to performing status”, noted Glenn Gray, CEO and President of CalWest Bancorp and South County Bank. “As we head into 2014, I am encouraged by the improvements in our asset quality and our focus on organic loan growth. An event subsequent to year-end worth noting has been the positive resolution of our \$984,000 OREO, which was sold during January 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

*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.*

**CalWest Bancorp Financial Summary**

	UNAUDITED		UNAUDITED	
	At or For the Three Months		At or For the Twelve Months	
	Ended December 31,		Ended December 31	
	2013	2012	2013	2012
<b>Summary of Operations: (In thousands \$)</b>				
Interest income	\$ 1,200	\$ 1,214	\$ 4,439	\$ 5,199
Interest expense	173	198	703	862
Net interest income	1,027	1,016	3,736	4,337
Provision for loan losses	(500)	1,131	(500)	1,981
Net interest income (loss) after provision for loan losses	1,527	(115)	4,236	2,356
Non-interest income	352	244	1,348	1,772
Non-interest expense	1,442	1,631	5,353	6,216
Income before income taxes	437	(1,502)	231	(2,088)
Income taxes	-	-	2	2
Net Income (Loss)	<b>\$ 437</b>	<b>\$ (1,502)</b>	<b>\$ 229</b>	<b>\$ (2,090)</b>
<b>Per Share Data: (Not in thousands \$)</b>				
Income (Loss) per share - basic	\$ 0.17	\$ (0.62)	\$ 0.09	\$ (0.87)
Shares outstanding - basic	2,521,488	2,415,530	2,521,488	2,415,530
<b>Balance Sheet Summary: (In thousands \$)</b>				
Total Assets	\$ 143,234	\$ 150,596	\$ 143,234	\$ 150,596
Cash and Due From	\$ 4,700	\$ 5,303	\$ 4,700	\$ 5,303
Investment Securities	\$ 54,447	\$ 63,249	\$ 54,447	\$ 63,249
Fed Funds Sold	\$ 16,515	\$ 12,740	\$ 16,515	\$ 12,740
Loans, Net of Deferred Fees	\$ 61,817	\$ 64,843	\$ 61,817	\$ 64,843
Allowance For Loan Losses ("ALL")	\$ 2,949	\$ 3,550	\$ 2,949	\$ 3,550
Other Real Estate Owned	\$ 984	\$ 549	\$ 984	\$ 549
Non-Interest Bearing Deposits	\$ 47,423	\$ 47,283	\$ 47,423	\$ 47,283
Interest Bearing Deposits	\$ 87,956	\$ 94,153	\$ 87,956	\$ 94,153
Total Deposits	\$ 135,379	\$ 141,436	\$ 135,379	\$ 141,436
Subordinated Debentures and Notes	\$ 3,698	\$ 3,723	\$ 3,698	\$ 3,723
Total Shareholders' Equity	\$ 3,223	\$ 4,257	\$ 3,223	\$ 4,257
<b>Selected Data (In thousands \$) and Ratios:</b>				
Non-performing Loans	\$ 1,728	\$ 6,888	\$ 1,728	\$ 6,888
30 - 120 Days Delinquent Loans	\$ 0	\$ 45	\$ 0	\$ 45
Bank Texas Ratio	26.72%	63.83%	26.72%	63.83%
Return on average assets	1.21%	-4.02%	0.16%	-1.40%
Return on average shareholders equity	54.24%	-141.13%	7.11%	-49.10%
Net interest margin	2.79%	2.86%	2.79%	2.86%
Cost of Deposits	0.39%	0.45%	0.39%	0.45%
ALL to loans ratios	4.77%	5.47%	4.77%	5.47%
Net loans to deposits ratio	43.48%	43.34%	43.48%	43.34%
Bank leverage capital ratio	5.53%	5.11%	5.53%	5.11%
Bank total risk based capital ratio	12.35%	11.57%	12.35%	11.57%
Employees (full time equivalent) (Not in thousands)	38	34	38	34