

CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF JUNE 30, 2014

Company Release – July 25, 2014

Second Quarter Net Loss of \$45,000; YTD Net Income of \$213,000

Non-Performing Loans decrease 23% quarter-over-quarter and 81% year-over-year

Non-Performing Assets as a percentage of Total Assets down to 0.54%

OREO Assets remain at \$-0-

Tier 1 Leverage Capital and Total Risk Based Capital Ratios at 5.89% and 12.64%

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results as of June 30, 2014.

Significant items for the period ending include:

- Second quarter net loss was (\$45,000), compared to a year ago net loss of (\$71,000)
- Loans decreased 1.5% quarter-over-quarter, but have increased 18% year-over-year
- ALLL ratio remained strong at 4.31%
- Non-performing loans reduced 23% quarter-over-quarter, are down to only \$759,000, with 48.3% of the non-performing loans paying-as-agreed
- Total deposits decreased slightly to \$132 million, with 34% non-interest bearing, keeping the Bank's cost-of-deposits low at 0.39%
- Non-interest income returned to a more normal level of \$315,000 following the OREO-related gain that occurred in Q1 2014
- Non-interest expenses decreased \$177,000 or 12% quarter-over-quarter

"We are pleased with the continuing decline in our Non-Performing Assets which are down to 0.54% of Total Assets from 2.8% a year ago and a historical high of 7.4%, noted Glenn Gray, President and CEO of CalWest Bancorp and South County Bank. "With asset quality under control, excess liquidity, and a low cost-of-funds of 39 basis points, our primary focus has shifted to growing our loan portfolio. While we are adding new clients, during the past quarter we purposely chose not to match some aggressive refinancing proposals in order to protect our net interest margin over the longer term. Although this resulted in a \$1 million decrease in our loan portfolio, we believe it is more prudent to pursue a well-defined strategic plan than to chase loan growth at unsustainable low pricing."

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 Six Months	
	Ended June 30,			Ended June 30	
	2014	2013	% Change	2014	2013
Summary of Operations: (In thousands \$)					
Interest income	\$ 1,142	\$ 1,062	7.5%	\$ 2,365	\$ 2,157
Interest expense	187	174	7.5%	351	359
Net interest income	955	888	7.5%	2,014	1,798
Provision for loan losses	-	-	0.0%	-	-
Net interest income (loss) after provision for loan losses	955	888	7.5%	2,014	1,798
Non-interest income	315	348	-9.5%	1,004	787
Non-interest expense	1,313	1,305	0.6%	2,803	2,642
Income before income taxes	(43)	(69)	-37.7%	215	(57)
Income taxes	2	2	0.0%	2	2
Net Income (Loss)	\$ (45)	\$ (71)	-36.6%	\$ 213	\$ (59)

Per Share Data: (Not in thousands \$)

Income (Loss) per share - basic	\$ (0.02)	\$ (0.03)		\$ 0.08	\$ (0.02)
Shares outstanding - basic	2,521,488	2,521,488		2,521,488	2,521,488

UNAUDITED
At or For the Six Months
Ended June 30,

	2014	2013	% Change
Balance Sheet Summary: (In thousands \$)			
Cash and Due From	\$ 5,748	\$ 5,357	7.3%
Interest Bearing Deposits in other banks	3,580	3,380	5.9%
Investment securities	45,225	59,483	-24.0%
Fed Funds Sold	13,650	11,450	19.2%
Loans, net of deferred fees	66,919	56,849	17.7%
Allowance for loan losses ("ALL")	(2,883)	(3,390)	-15.0%
Net Loans	64,036	53,459	19.8%
Other Real Estate Owned	-	1,256	-100.0%
Company Owned Life Insurance	6,266	6,086	3.0%
Federal Reserve Bank and Federal Home Loan Bank Stock	1,050	1,127	-6.8%
Other Assets	1,093	2,601	-58.0%
Total assets	\$ 140,648	\$ 144,199	-2.5%
Non-Interest Bearing Deposits	\$ 45,066	\$ 47,595	-5.3%
Interest Bearing Deposits	87,128	88,638	-1.7%
Total deposits	132,194	136,233	-3.0%
Subordinated Debentures and Notes	3,698	3,698	0.0%
Accrued Interest and other Liabilities	1,067	870	22.6%
Total shareholders' equity	3,689	3,398	8.6%
Total Liabilities and Shareholders Equity	\$ 140,648	\$ 144,199	-2.5%

Selected Data (In thousands \$) and Ratios:

Non-performing Loans	\$ 759	\$ 3,967	-80.9%
30 - 120 Days Delinquent Loans	\$ -	\$ 40	-100.0%
Texas Ratio	7.13%	48.34%	-85.3%
Return on average assets	-0.13%	-0.20%	-35.1%
Return on average shareholders equity	-4.88%	-8.36%	-41.6%
Net interest margin	3.03%	2.90%	4.5%
Cost of Deposits	0.39%	0.40%	-2.5%
ALL to loans ratios	4.31%	5.96%	-27.8%
Net loans to deposits ratio	48.44%	39.24%	23.4%
Bank leverage capital ratio	5.89%	5.34%	10.3%
Bank total risk based capital ratio	12.64%	12.39%	2.0%
Employees (full time equivalent) (Not in thousands)	37	39	-5.1%

