

PRESS RELEASE
CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF DECEMBER 31, 2011

IRVINE, California – January 23, 2012 - CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., reported financial results for 2011. The Company's year-to-date net loss was \$440,000 for the twelve months ended December 31, 2011, compared to net loss of \$6.9 million for the same twelve months ended December 31, 2010. This represents a \$6.5 million improvement over the prior year results for the same period. For the fourth quarter in 2011, CalWest Bancorp reported a loss of \$46,000 compared to a loss of \$1.9 million for the fourth quarter in 2010.

CalWest Bancorp has been able to accomplish the following:

- **Non-interest Income and Operating Expenses.** Both non-interest income and expenses showed positive trends. Non-interest expenses were reduced to \$7.1 million for the twelve month period ended December 31, 2011 from \$7.9 million as of twelve month period ended December 31, 2010.
- **Liquidity continues at Historically High Levels.** Liquidity is represented by cash and cash equivalents, marketable securities, and the availability of alternative funding sources. The Bank's current and contingent liquidity continues to be strong.
- **Decreased Loan Loss Provisions.** Loan loss provisions for the twelve months ended December 31, 2011 decreased to \$189,000 from \$6.3 million in 2010 for the same period. (97% decrease in loan loss provision expense).
- **Allowance for Loan and Lease (ALLL) Reserves.** ALLL reserves were \$3.9 million, or 5.1% of total loans as of December 2011, compared to \$4.3 million, or 4.4% of total loans at the end of December 2010.
- **Cost of Funds decrease.** Cost of Funds for December 2010 was 1.10% compared to 0.70% as of December 2011.
- **Capital Ratios.** The risk-based capital ratio improved to 12.43% as of December 31, 2011 from 9.84% as of December 31, 2010.

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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 AND SUBSIDIARY			
CONSOLIDATED BALANCE SHEET			
(UNAUDITED)			
	DECEMBER 31, 2011	DECEMBER 31, 2010	% CHANGE
CASH AND DUE FROM	4,563,000	3,261,000	39.93%
FEDERAL FUNDS SOLD	5,365,000	11,000,000	-51.23%
INTEREST BEARING DEPOSITS AT OTHER BANKS	1,230,000	400,000	100.00%
INVESTMENTS	50,844,000	52,303,000	-2.79%
LOANS HELD FOR SALE	1,350,000	3,645,000	-62.96%
LOANS NET OF DISCOUNT	77,438,000	99,026,000	-21.80%
LESS: ALLOWANCE FOR LOAN LOSSES	3,920,000	4,309,000	-9.03%
OTHER ASSETS	8,623,000	12,918,000	-33.25%
TOTAL ASSETS	145,493,000	178,244,000	-18.37%
NONINTEREST BEARING DEPOSITS	50,302,000	53,243,000	-5.52%
INTEREST BEARING DEPOSITS	83,604,000	107,862,000	-22.49%
TOTAL DEPOSITS	133,906,000	161,105,000	-16.88%
OTHER BORROWINGS	1,000,000	6,534,000	-84.70%
SUBORDINATED DEBENTURES AND NOTES	3,723,000	3,723,000	0.00%
OTHER LIABILITIES	689,000	545,000	26.42%
TOTAL LIABILITIES	139,318,000	171,907,000	-18.96%
PREFERRED STOCK	4,755,000	4,709,000	0.98%
COMMON STOCK	12,068,000	12,068,000	0.00%
SURPLUS	16,255,000	16,203,000	0.32%
UNDIVIDED PROFITS	(27,230,000)	(26,744,000)	1.82%
OTHER COMPREHENSIVE INCOME	327,000	101,000	223.76%
TOTAL SHAREHOLDERS' EQUITY	6,175,000	6,337,000	-2.56%
TOTAL LIABILITIES AND EQUITY	145,493,000	178,244,000	-18.37%
TIER 1 LEVERAGE RATIO	6.30%	5.27%	
TIER 1 RISK BASED CAPITAL RATIO	11.14%	8.55%	
TOTAL RISK BASED CAPITAL RATIO	12.43%	9.84%	

	CALWEST BANCORP		
	CONDENSED STATEMENT OF EARNINGS		
	(UNAUDITED)		
	FOR THE THREE MONTHS ENDED		
	DECEMBER 31 2011	DECEMBER 31 2010	% CHANGE
INTEREST INCOME	1,351,000	1,782,000	-24.19%
INTEREST EXPENSE	251,000	424,000	-40.80%
NET INTEREST INCOME	1,100,000	1,358,000	-19.00%
PROVISION FOR LOAN LOSSES	-	1,575,000	-100.00%
NONINTEREST INCOME	658,000	237,000	177.64%
NONINTEREST EXPENSE	1,804,000	1,685,000	7.06%
PRE TAX INCOME	(46,000)	(1,665,000)	-97.24%
PREFERRED STOCK DIVIDENDS	-	(237,000)	-100.00%
INCOME TAXES	-	-	0.00%
NET INCOME	(46,000)	(1,902,000)	-97.58%
	FOR THE TWELVE MONTHS ENDED		
	DECEMBER 31 2011	DECEMBER 31 2010	% CHANGE
INTEREST INCOME	5,886,000	7,942,000	-25.89%
INTEREST EXPENSE	1,198,000	2,055,000	-41.70%
NET INTEREST INCOME	4,688,000	5,887,000	-20.37%
PROVISION FOR LOAN LOSSES	189,000	6,280,000	-96.99%
NONINTEREST INCOME	2,123,000	1,632,000	30.09%
NONINTEREST EXPENSE	7,060,000	7,912,000	-10.77%
PRE TAX INCOME	(438,000)	(6,673,000)	-93.44%
PREFERRED STOCK DIVIDENDS	-	(237,000)	
INCOME TAXES	2,000	-	0.00%
NET INCOME	(440,000)	(6,910,000)	-93.63%