

CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF SEPTEMBER 30, 2018

Company Release – October 24, 2018

YTD - 2018 Net Income of \$1,215,062

Year-to-Date Deposits Increased 16%

Year-to-Date Loans increased 5.2%

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for CalWest Bank, (formerly known as South County Bank), today announced the consolidated financial results for the third quarter ended September 30, 2018.

Significant items for the period include:

- Net Interest Income was flat quarter-over quarter, however up 23% year-over-year
- Non-Interest Income was flat quarter-over-quarter as Deposit Service Charge income decreased
- Non-Interest Expenses increased 16% quarter-over-quarter as a result of staff and location expansions
- Net Income decreased to \$282k for the quarter, however YTD Net Income was 9% higher year-over-year.
- Total Deposits increased \$16 million during the quarter, and have increased YTD by \$23.6 million or 16%
- 44% of Deposits are non-interest bearing, keeping our cost-of-deposits within 51 basis points
- Total Loans increased \$5.2 million during the quarter and \$17.5 million year-over-year
- Non-performing Assets are \$23k and all are paying-as-agreed
- Allowance for Loan Losses to Gross Loans ratio was 1.78%

“During the third quarter our Non-Interest Expenses increased due to decisions made to increase our footprint in Orange County and San Diego County and to improve our presence in San Bernardino County. In July we opened a new state-of-art branch in Irvine, in August we opened a Loan Production Office in Laguna Niguel, added a Real Estate/Construction department in North San Diego County, and in August we boosted the presence of our Redlands branch with a new Branch Manager recruited from within that market,” noted Glenn Gray, President and CEO of CalWest Bancorp and CalWest Bank.

“We view the temporarily reduction in Net Income as an investment in our future and it has already been a catalyst for growth in core deposits. Year-over-year, core deposits, which represent 95% of total deposits, have increased by \$23 million. This improved composition has allowed us to maintain our cost-of deposits at 0.51%.”

CalWest Bancorp is the parent company of CalWest Bank, a community bank recognized for its exemplary service to entrepreneurs and high net worth individuals located throughout Southern California. The Bank serves the business community through its four full-service branches located in Rancho Santa Margarita, Irvine, Huntington Beach and Redlands.

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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 CalWest 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 CalWest Bancorp's operations, pricing, products and services. CalWest 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.

**STATEMENT OF CONDITION
(UNAUDITED)**

ASSETS	End of Period			Annual Change %
	9/30/2018	12/31/2017	9/30/2017	
Cash & Due from Banks	\$ 4,015,635	\$ 3,874,886	\$ 4,868,613	-18%
Federal Funds Sold and Interest Bearing Balances	25,516,522	8,137,813	24,682,607	3%
Total Cash and Cash Equivalent	29,532,157	12,012,699	29,551,220	0%
Interest Bearing Deposits in Other Banks	1,934,000	1,934,000	1,934,000	
Investment Securities	15,162,094	15,796,291	16,164,933	-6%
Real Estate Loans	112,708,790	101,832,736	94,846,061	19%
Commercial and Industrial Loans	26,031,034	24,319,197	24,048,200	8%
Consumer Loans	1,123,657	6,961,330	3,467,427	-68%
Gross Loans	139,863,481	133,113,263	122,361,688	14%
Deferred Loan Fees and Discounts	89,745	(78,181)	106,068	-15%
Loans Net of Def Fees and Discounts	139,953,226	133,035,082	122,467,756	14%
Allowance for Loan Losses	(2,492,194)	(2,536,356)	(2,536,356)	-2%
Net Loans	137,461,032	130,498,726	119,931,400	15%
Bank Premises and Equipment	676,564	158,831	167,259	305%
Bank Owned Life Insurance	6,254,866	6,140,311	6,100,865	3%
Other Assets	2,586,720	2,324,429	2,162,629	20%
Total Assets	\$ 193,607,433	\$ 168,865,287	\$ 176,012,306	10%

LIABILITIES AND CAPITAL	End of Period			Annual Change %
	9/30/2018	12/31/2017	9/30/2017	
Non-Interest Bearing Demand Deposits	\$ 77,070,694	\$ 60,184,150	\$ 65,742,369	17%
Int-Bearing Transaction Accounts	8,748,001	12,345,743	8,733,094	0%
Savings Deposits	26,137,603	27,099,672	28,307,343	-8%
Money Market Deposits	45,417,751	30,331,719	32,162,389	41%
Certificate of Deposits	14,471,675	16,795,275	19,503,414	-26%
Wholesale Brokered Deposits	2,004,830	3,501,201	3,505,640	100%
Total Deposits	173,850,554	150,257,760	157,954,249	10%
Subordinated debentures	3,093,000	3,093,000	3,093,000	0%
Total Deposits and Int-Bearing liabilities	176,943,554	153,350,760	161,047,249	10%
Other Liabilities	607,456	552,135	426,867	42%
Total Capital	16,056,423	14,962,392	14,538,190	10%
Total Liabilities and Capital	\$ 193,607,433	\$ 168,865,287	\$ 176,012,306	10%

CREDIT QUALITY DATA (UNAUDITED)	End of Period			Annual Change %
	9/30/2018	12/31/2017	9/30/2017	
Non-Accruing Loans	\$ 23,063	\$ 115,552	\$ 118,548	-81%
Foreclosed Assets	\$ -	\$ -	\$ -	0%
Total Nonperforming Assets	\$ 23,063	\$ 115,552	\$ 118,548	

Nonperforming Loans to Gross Loans	0.02%	0.09%	0.10%
Nonperforming assets to Loans	0.02%	0.09%	0.10%
Allowance for Loan Losses to Gross Loans	1.78%	1.91%	2.07%

CAPITAL RATIOS (SOUTH COUNTY BANK)	End of Period		
	9/30/2018	12/31/2017	9/30/2017
Tier 1 Leverage Ratio	10.31%	10.15%	9.93%
Tier 1 Risk Based Capital Ratio	12.40%	12.48%	12.91%
Total Risk Based Capital Ratio	13.66%	13.74%	14.16%

**CONSOLIDATED INCOME STATEMENT
(IN \$000, UNAUDITED)**

	3-Month Period Ended			9-Month Period Ended		
	9/30/2018	9/30/2017	% Change	9/30/2018	9/30/2017	% Change
Interest Income	\$ 1,967	\$ 1,675	17%	\$ 5,695	\$ 4,700	21%
Interest Expense	252	233	8%	719	663	8%
Net Interest Income	1,715	1,442	19%	4,976	4,037	23%
Provisions for Loan & Lease Losses	(50)	(146)	-66%	(129)	(323)	-60%
Net Interest after Loan Loss Provisions	1,765	1,588	11%	5,105	4,360	17%
Service Charges	121	146	-17%	408	437	-7%
Bank-Owned Life Insurance Income	38	39	-3%	115	127	-9%
Gain (Loss) on Investments	-	(81)	100%	-	(160)	-100%
Other Non-Interest Income	47	28	68%	207	89	133%
Total Non-Interest Income	206	132	56%	730	493	48%
Salaries & Benefits	1,106	838	32%	3,021	2,411	25%
Occupancy Expense	149	99	51%	366	300	22%
Other Non-Interest Expenses	429	341	26%	1,213	1,017	19%
Total Non-Interest Expense	1,684	1,278	32%	4,600	3,728	23%
Income Before Taxes	287	442	-35%	1,235	1,125	10%
Provision for Income Taxes	5	10	0%	20	12	0%
Net Income	\$ 282	\$ 432	-35%	\$ 1,215	\$ 1,113	9%

**PER SHARE DATA
(UNAUDITED)**

	3-Month Period Ended			9-Month Period Ended		
	9/30/2018	9/30/2017	% Change	9/30/2018	9/30/2017	% Change
Basic Earnings per Share	\$ 0.00	\$ 0.01	-35%	\$ 0.02	\$ 0.02	9%
Diluted Earnings per Share	\$ 0.00	\$ 0.01	-35%	\$ 0.02	\$ 0.02	9%
Common Dividends	\$ -	\$ -	0%	\$ -	\$ -	0%
Weighted Average Shares Outstanding	74,036,505	74,036,505	0%	74,036,505	74,036,505	0%
Weighted Average Diluted Shares	74,036,505	74,036,505	0%	74,036,505	74,036,505	0%
Book Value per Basic Share (EOP)	\$ 0.22	\$ 0.20		\$ 0.22	\$ 0.20	
Common Shares Outstanding (EOP)	74,036,505	74,036,505	0%	74,036,505	74,036,505	0%

**KEY FINANCIAL RATIOS
(UNAUDITED)**

	3-Month Period Ended		9-Month Period Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Return on Average Equity (annualized)	7.06%	12.03%	10.39%	10.78%
Return on Average Assets (annualized)	0.60%	0.99%	0.89%	0.88%
Net Interest Margin (Tax-Equivalent)	3.83%	3.49%	3.85%	3.37%
Efficiency Ratio	87.66%	81.19%	80.62%	82.30%
Net Charge-offs to Gross Loans	-0.02%	-0.05%	-0.06%	-0.17%