



SUNWEST BANK AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION - UNAUDITED
 (Dollars in thousands)

	June 30, 2008	December 31, 2007
ASSETS		
Cash and due from banks	\$ 11,710	\$ 10,781
Fed funds sold, mutual funds and interest bearing deposits	7,120	36,247
Total cash and cash equivalents	18,830	47,028
Securities, available for sale ("AFS"), at fair value	127,053	91,958
Loans, net of deferred fees	144,384	149,604
Allowance for loan losses	(2,349)	(2,438)
Net loans	142,035	147,166
Investment in Federal Home Loan Bank ("FHLB") stock	2,495	1,164
Premises and equipment, net	455	638
Bank-owned life insurance	9,477	9,255
Other assets	2,600	2,139
Total Assets	\$ 302,945	\$ 299,348
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Demand deposits	\$ 107,096	\$ 146,987
Money market and savings accounts	97,821	89,278
Time deposits	16,736	16,072
Total deposits	221,653	252,337
FHLB advances	40,375	5,375
Accounts payable and other liabilities	2,793	3,365
Total Liabilities	264,821	261,077
Commitments and contingencies	-	-
 Shareholder's Equity		
Preferred stock, no par value: 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2008 or December 31, 2007	-	-
Common stock, no par value: 30,000,000 shares authorized, 17,152 and 17,161 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	27,662	27,709
Retained earnings since November 30, 2002	11,289	9,946
Accumulated other comprehensive income, net of tax	(827)	616
Total Shareholders' Equity	38,124	38,271
Total Liabilities and Shareholders' Equity	\$ 302,945	\$ 299,348

SUNWEST BANK AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
 (Dollars in thousands, except per share amounts)

	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2008	2007	2008	2007
Interest income				
Loans.....	\$ 2,927	\$ 2,853	\$ 5,594	\$ 5,641
Securities, AFS	1,532	1,005	2,731	1,892
Fed funds sold and mutual funds	146	748	514	1,676
Total interest income.....	<u>4,605</u>	<u>4,606</u>	<u>8,839</u>	<u>9,209</u>
Interest expense				
Deposits	444	683	937	1,271
Borrowings.....	332	59	478	118
Total interest expense.....	<u>776</u>	<u>742</u>	<u>1,415</u>	<u>1,389</u>
Net interest income	3,829	3,864	7,424	7,820
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>3,829</u>	<u>3,864</u>	<u>7,424</u>	<u>7,820</u>
Noninterest income:				
Deposit charges.....	131	102	294	214
Realized net (loss) gain from investment securities	(240)	-	(240)	-
Other income.....	139	132	228	253
Total noninterest income.....	<u>30</u>	<u>234</u>	<u>282</u>	<u>467</u>
Noninterest expense:				
Compensation and benefits	1,499	1,493	3,350	3,071
Occupancy and depreciation	464	497	966	1,000
Customer service.....	105	753	309	1,581
Professional services	130	97	413	315
Other expenses	514	620	1,054	1,171
Total noninterest expense.....	<u>2,712</u>	<u>3,460</u>	<u>6,092</u>	<u>7,138</u>
Income before taxes	1,147	638	1,614	1,149
Income taxes	312	146	359	313
Net income.....	<u>\$ 835</u>	<u>\$ 492</u>	<u>\$ 1,255</u>	<u>\$ 836</u>
Net income per share:				
Basic.....	\$ 48.71	\$ 28.53	\$ 73.20	\$ 48.48
Diluted	\$ 48.64	\$ 28.44	\$ 73.08	\$ 48.34
Shares used to compute:				
Basic net income per share.....	17,143	17,244	17,145	17,243
Diluted net income per share.....	17,166	17,299	17,173	17,295