



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

	September 30, 2008	December 31, 2007
ASSETS		
Cash and due from banks	\$ 10,573	\$ 10,781
Fed funds sold, mutual funds and interest bearing deposits	5,450	36,247
Total cash and cash equivalents	16,023	47,028
Securities, available for sale ("AFS"), at fair value	133,852	91,958
Loans, net of deferred fees	149,469	149,604
Allowance for loan losses	(2,349)	(2,438)
Net loans	147,120	147,166
Investment in Federal Home Loan Bank ("FHLB") stock	2,235	1,164
Premises and equipment, net	377	638
Bank-owned life insurance	9,592	9,255
Other assets	2,887	2,139
Total Assets	\$ 312,086	\$ 299,348
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Demand deposits	\$ 106,775	\$ 146,987
Money market and savings accounts	105,730	89,278
Time deposits	12,209	16,072
Total deposits	224,714	252,337
FHLB advances	47,375	5,375
Accounts payable and other liabilities	2,181	3,365
Total Liabilities	274,270	261,077
Commitments and contingencies	-	-
 Shareholders' Equity		
Preferred stock, no par value: 5,000,000 shares authorized, no shares issued and outstanding at September 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 September 30, 2008 and December 31, 2007, respectively	27,779	27,709
Retained earnings since November 30, 2002	9,624	9,946
Accumulated other comprehensive income, net of tax	413	616
Total Shareholders' Equity	37,816	38,271
Total Liabilities and Shareholders' Equity	\$ 312,086	\$ 299,348

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

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Interest income				
Loans.....	\$ 2,562	\$ 3,017	\$ 8,156	\$ 8,658
Securities, AFS	1,587	1,016	4,318	2,908
Fed funds sold and mutual funds	121	694	635	2,370
Total interest income.....	<u>4,270</u>	<u>4,727</u>	<u>13,109</u>	<u>13,936</u>
Interest expense				
Deposits	573	701	1,510	1,972
Borrowings.....	330	61	808	179
Total interest expense.....	<u>903</u>	<u>762</u>	<u>2,318</u>	<u>2,151</u>
Net interest income	3,367	3,965	10,791	11,785
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>3,367</u>	<u>3,965</u>	<u>10,791</u>	<u>11,785</u>
Noninterest income:				
Deposit charges.....	104	108	352	322
Realized (loss) gain from investment securities	(3,851)	86	(4,091)	86
Other income.....	165	134	439	387
Total noninterest income.....	<u>(3,582)</u>	<u>328</u>	<u>(3,300)</u>	<u>795</u>
Noninterest expense:				
Compensation and benefits	1,436	1,501	4,785	4,572
Occupancy and depreciation	458	474	1,424	1,474
Customer service.....	99	656	408	2,237
Professional services	144	291	557	606
Other expenses	554	508	1,608	1,679
Total noninterest expense.....	<u>2,691</u>	<u>3,430</u>	<u>8,782</u>	<u>10,568</u>
(Loss) income before taxes	(2,906)	863	(1,291)	2,012
Income taxes	(1,333)	177	(974)	490
Net (loss) income	<u>\$ (1,573)</u>	<u>\$ 686</u>	<u>\$ (317)</u>	<u>\$ 1,522</u>
Net (loss) income per share:				
Basic.....	\$ (91.74)	\$ 39.74	\$ (18.49)	\$ 88.16
Diluted	\$ (91.67)	\$ 39.59	\$ (18.46)	\$ 87.88
Shares used to compute:				
Basic net (loss) income per share.....	17,146	17,264	17,146	17,264
Diluted net (loss) income per share....	17,160	17,328	17,170	17,319