

# CALIFORNIA BANK & TRUST

## 2010 2<sup>ND</sup> QUARTER FINANCIAL RESULTS

(August 2, 2010)

### 2<sup>nd</sup> Quarter 2010 Significant Items

- Net Income for the six months ending June 30, 2010, was \$24.2 million compared to \$35.8 million for the same period of 2009.
- Loan balances declined 1.1% during the quarter on relatively weak demand for new loans, while FDIC supported assets declined by 8.2%.
- Short-term investments increased by 22.6% due to the decline in loans and FDIC supported assets.
- The Provision for Loan Losses was \$82.5 million the first six months of 2010, compared to \$92.4 million for the year-ago period.
- Annualized net charge-offs as a percentage of average loans were 1.93% in 2010, compared to 1.44% in the first half of 2009.
- The Tier 1 Risk-Based Capital Ratio increased to 11.46% as of June 30, 2010, compared to 11.11% as of March 31, 2010, and 9.59% as of June 30, 2009.

| Performance Ratios <sup>1</sup>            | Six Months Ended |               | Three Months Ended |               |
|--|------------------|---------------|--------------------|---------------|
|  | June 30, 2010    | June 30, 2009 | June 30, 2010      | June 30, 2009 |
| Net Interest Margin                        | 4.82%            | 4.79%         | 4.88%              | 4.78%         |
| Operating Efficiency Ratio <sup>2</sup>    | 54.1%            | 45.4%         | 55.3%              | 44.1%         |
| Cash Return on Average Assets <sup>2</sup> | 0.49%            | 0.83%         | 0.57%              | 0.76%         |
| Cash Return on Average Equity <sup>2</sup> | 5.2%             | 9.5%          | 6.0%               | 8.5%          |
| Net Charge-offs/Average Loans <sup>3</sup> | 1.93%            | 1.44%         | 1.92%              | 2.02%         |

| Balance Sheet Amounts / Ratios                               | June 30, 2010 | March 31, 2010 | June 30, 2009 |
|--|---------------|----------------|---------------|
| Total Loans  | \$8,506,716   | \$8,694,728    | \$8,481,032   |
| Nonperforming Loans + OREO/Loans + OREO <sup>3</sup>         | 3.36%         | 3.26%          | 2.89%         |
| Allowance for Credit Losses <sup>4</sup> /Loans <sup>3</sup> | 3.41%         | 3.34%          | 2.15%         |
| Total Deposits   | \$9,664,130   | \$9,743,957    | \$8,516,484   |
| Loan-to-Deposit Ratio  | 88.0%         | 89.2%          | 99.6%         |

| Capital Ratios                  | June 30, 2010 | March 31, 2010 | June 30, 2009 |
|---------------------------------|---------------|----------------|---------------|
| Tangible Equity/Tangible Assets | 9.49%         | 9.31%          | 9.83%         |
| Tier 1 Leverage                 | 9.57%         | 9.46%          | 10.52%        |
| Tier 1 Risk-based Capital       | 11.46%        | 11.11%         | 9.59%         |
| Total Risk-based Capital        | 12.73%        | 12.38%         | 10.84%        |

| Credit Rating <i>(Ratings are current as of 07/30/10)</i> | Moody's | Fitch | S&P  |
|---|---------|-------|------|
| <b>California Bank &amp; Trust</b>                        |         |       |      |
| Long-Term Issuer  | Ba3     | BBB   | -    |
| Certificate of Deposits                                   | Ba2     | BBB+  | -    |
| <b>Zions Bancorporation</b>                               |         |       |      |
| Long-Term Issuer  | -       | BBB   | BBB- |
| Senior Unsecured Debt                                     | B2      | BBB   | BBB- |
| Short-Term/Commercial Paper                               | NP      | F2    | A-3  |

<sup>1</sup> Performance Ratios as calculated on internal unaudited management financial reports

<sup>2</sup> Excludes net losses on securities & gains on acquisitions of Alliance Bank

<sup>3</sup> Excludes FDIC Supported Assets

<sup>4</sup> Includes Allowance for Credit losses on Off-Balance Sheet Credit Exposures included in Other Liabilities

**CB&T Statement of Condition***Dollars in thousands (unaudited)*

| <b>Assets</b>                                       | June 30, 2010       | March 31, 2010      | June 30, 2009       |
|---|---------------------|---------------------|---------------------|
| Cash and Due from Banks                             | \$193,551           | \$181,248           | \$213,040           |
| Money Market Investments                            | 1,014,820           | 827,798             | 1,019               |
| Investment Securities                               | 311,927             | 304,245             | 525,801             |
| Loans and Leases, Net of Unearned Income            | 7,376,614           | 7,458,534           | 7,812,113           |
| FDIC Supported Assets                               | 1,178,058           | 1,283,207           | 678,724             |
| Allowance for Loan and Lease Losses                 | (255,150)           | (241,272)           | (151,600)           |
| Premises & Equipment                                | 52,502              | 52,237              | 48,017              |
| Intangible Assets                                   | 393,093             | 394,416             | 389,172             |
| Other Assets  | 912,218             | 979,805             | 790,130             |
| <b>Total Assets</b>                                 | <b>\$11,177,633</b> | <b>\$11,240,218</b> | <b>\$10,306,416</b> |
| <b>Liabilities &amp; Capital</b>                    |                     |                     |                     |
| <b>Liabilities</b>                                  |                     |                     |                     |
| Demand Deposits                                     | \$3,185,934         | \$3,067,448         | \$2,668,032         |
| Interest Checking                                   | 519,788             | 528,126             | 443,395             |
| Savings   | 256,236             | 257,558             | 240,168             |
| Money Market  | 4,169,937           | 4,217,567           | 3,683,399           |
| Time Deposits                                       | 1,121,018           | 1,261,164           | 1,465,446           |
| Foreign Deposits                                    | 411,217             | 412,094             | 16,044              |
| Total Deposits                                      | 9,664,130           | 9,743,957           | 8,516,484           |
| Other Interest Bearing Liabilities                  | 2,549               | 6,757               | 320,867             |
| Allowance for Credit losses on Off-Balance Sheet    |                     |                     |                     |
| Credit Exposures                                    | 21,889              | 22,362              | 15,978              |
| Other Liabilities                                   | 83,856              | 75,133              | 89,183              |
| <b>Total Liabilities</b>                            | <b>9,772,424</b>    | <b>9,848,209</b>    | <b>8,942,512</b>    |
| <b>Shareholder's Equity</b>                         | <b>1,405,209</b>    | <b>1,392,009</b>    | <b>1,363,904</b>    |
| <b>Total Liabilities &amp; Shareholder's Equity</b> | <b>\$11,177,633</b> | <b>\$11,240,218</b> | <b>\$10,306,416</b> |

**CB&T Statement of Earnings***Dollars in thousands (unaudited)*

| <b>Earnings</b>                                     | Six Months Ended |                 |
|---|------------------|-----------------|
|   | June 30, 2010    | June 30, 2009   |
| Interest Income                                     | \$256,072        | \$266,735       |
| Interest Expense                                    | 23,427           | 42,242          |
| Net Interest Income                                 | 232,645          | 224,493         |
| Provision for Loan Losses                           | 82,533           | 92,417          |
| Net Interest Income after Provision for Loan Losses | 150,112          | 132,076         |
| Noninterest Income                                  | 53,113           | 75,496          |
| Securities Gains (Losses), Net                      | -                | (16,487)        |
| <b>Noninterest Expense</b>                          |                  |                 |
| Salaries and Employee Benefits                      | 72,105           | 66,305          |
| Premises & Equipment                                | 18,318           | 16,918          |
| Amortization of Intangible Assets                   | 2,659            | 2,174           |
| Other Operating Expenses                            | 64,936           | 48,052          |
| <b>Total Noninterest Expense</b>                    | <b>158,018</b>   | <b>133,449</b>  |
| Income Before Income Taxes                          | 45,207           | 57,636          |
| Income Taxes  | 20,976           | 21,878          |
| <b>Net Income</b>                                   | <b>\$24,231</b>  | <b>\$35,758</b> |