

# CALIFORNIA BANK & TRUST

## 2010 FOURTH QUARTER FINANCIAL RESULTS

(January 31, 2011)

### Fourth Quarter 2010 Significant Items

- Net Income for the year ended December 31, 2010, was \$58.8 million compared to a Net Loss of \$50.2 million for the same period in 2009. 2009 included significant non-recurring losses on securities and gains on the FDIC assisted acquisitions.
- Net Interest Income for 2010 included a positive contribution from the acquired FDIC supported loans due to lower expected credit losses, partially offset by an increase to Noninterest Expense due to lower expected reimbursements from the FDIC. The Net Interest Margin increased to 5.04% in 2010 from 4.88% in 2009.
- The Tier 1 Risk-Based Capital Ratio increased to 12.40% as of December 31, 2010, compared to 11.82% as of September 30, 2010, and 10.25% as of December 31, 2009.
- Other Operating Expenses increased primarily as the result of amortization of the FDIC Indemnification Asset due to lower expected reimbursements from the FDIC.
- Loans, excluding FDIC supported loans, decreased by 0.8%, while deposits decreased 3.4% from September 30, 2010.
- The Provision for Loan Losses was \$149.9 million for 2010, a decrease of 40.4% compared to the year-ago period.
- Annualized net charge-offs as a percentage of average loans were 2.05% for 2010, compared to 1.86% for 2009.

Performance Ratios <sup>1</sup>	Year Ended December 31		Quarter Ended December 31	
	2010	2009	2010	2009
Net Interest Margin	5.04%	4.88%	5.30%	4.97%
Operating Efficiency Ratio <sup>2</sup>	57.3%	47.1%	62.1%	47.8%
Cash Return on Average Assets <sup>2</sup>	0.58%	0.48%	0.67%	0.79%
Cash Return on Average Equity <sup>2</sup>	6.1%	5.3%	6.9%	8.4%
Net Charge-offs/Average Loans <sup>3</sup>	2.05%	1.86%	1.97%	2.05%

Other Ratios <sup>1</sup>	December 31, 2010	September 30, 2010	December 31, 2009
Nonperforming Loans + OREO/Loans + OREO <sup>3</sup>	2.78%	3.53%	3.43%
Allowance for Credit Losses <sup>4</sup> /Loans <sup>3</sup>	3.21%	3.26%	3.21%
Loan-to-Deposit Ratio	91.7%	90.3%	91.8%

Capital Ratios	December 31, 2010	September 30, 2010	December 31, 2009
Tangible Equity/Tangible Assets	10.08%	9.62%	9.22%
Tier 1 Leverage	9.94%	9.69%	8.81%
Tier 1 Risk-based Capital	12.40%	11.82%	10.25%
Total Risk-based Capital	13.68%	13.10%	11.51%

Credit Rating (Ratings are current as of 1/25/2011)	Moody's	Fitch	S&P
<b>California Bank &amp; Trust</b>			
Long-Term Issuer	B1	BBB-	-
Certificate of Deposits	Ba3	BBB	-
<b>Zions Bancorporation</b>			
Long-Term Issuer	-	BBB-	BBB-
Senior Unsecured Debt	B2	BBB-	BBB-
Short-Term/Commercial Paper	NP	F3	A-3

<sup>1</sup> Dollars in thousands and Performance Ratios as calculated on internal unaudited management financial reports

<sup>2</sup> Excludes net losses on securities & gains on FDIC assisted acquisitions

<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 and excludes Allowance for Credit Losses on FDIC Supported Loans

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

<b>Assets</b>	December 31, 2010	September 30, 2010	December 31, 2009
Cash and Due from Banks	\$129,241	\$175,098	\$191,985
Money Market Investments	842,173	970,851	440,087
Investment Securities	401,686	326,103	291,992
Loans and Leases, Net of Unearned Income	7,543,474	7,603,455	7,611,860
FDIC Supported Assets	948,482	1,069,526	1,403,531
Allowance for Loan and Lease Losses	(257,812)	(271,806)	(223,405)
Premises & Equipment	54,181	52,744	51,830
Intangible Assets	390,497	391,786	395,758
Other Assets	713,621	753,850	1,091,170
<b>Total Assets</b>	<b>\$10,765,543</b>	<b>\$11,071,607</b>	<b>\$11,254,808</b>
<b>Liabilities &amp; Capital</b>			
<b>Liabilities</b>			
Demand Deposits	\$3,164,435	\$3,277,216	\$3,120,067
Interest Checking	555,268	541,748	537,663
Savings	262,918	258,973	255,342
Money Market	4,089,913	4,231,865	4,010,327
Time Deposits	1,017,820	1,066,114	1,429,351
Foreign Deposits	129,224	166,973	408,802
<b>Total Deposits</b>	<b>9,219,578</b>	<b>9,542,889</b>	<b>9,761,552</b>
Other Interest Bearing Liabilities	4,975	245	9,742
Allowance for Credit losses on Off-Balance Sheet			
Credit Exposures	22,306	22,306	21,264
Other Liabilities	82,612	86,903	80,169
<b>Total Liabilities</b>	<b>9,329,471</b>	<b>9,652,343</b>	<b>9,872,727</b>
<b>Shareholder's Equity</b>	<b>1,436,072</b>	<b>1,419,264</b>	<b>1,382,081</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>\$10,765,543</b>	<b>\$11,071,607</b>	<b>\$11,254,808</b>

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

<b>Earnings</b>	Year Ended December 31	
	2010	2009
Interest Income	\$532,903	\$539,446
Interest Expense	39,484	74,428
<b>Net Interest Income</b>	<b>493,419</b>	<b>465,018</b>
Provision for Loan Losses	149,859	251,531
<b>Net Interest Income after Provision for Loan Losses</b>	<b>343,560</b>	<b>213,487</b>
Noninterest Income	101,002	299,633
Securities Gains (Losses), Net	-	(319,024)
<b>Noninterest Expense</b>		
Salaries and Employee Benefits	147,342	140,383
Premises & Equipment	37,409	36,367
Amortization of Intangible Assets	5,249	5,033
Other Operating Expenses	155,444	108,083
<b>Total Noninterest Expense</b>	<b>345,444</b>	<b>289,866</b>
Income Before Income Taxes	99,118	(95,770)
Income Taxes	40,294	(45,594)
<b>Net Income</b>	<b>\$58,824</b>	<b>(\$50,176)</b>