

Northwest Bank (Private; Lake Oswego, OR) has agreed to merge with Western Capital Bank, a subsidiary of Western Capital Corporation (Private; Boise, ID)

Deal Value: Not Disclosed

Sandler O'Neill provided a fairness opinion to Northwest Bank in this transaction. This transaction represents Sandler O'Neill's 64th bank or thrift transaction since January 1, 2010. Sandler O'Neill has served as a financial advisor or provided a fairness opinion on five of the eight whole bank or thrift transactions announced in the Pacific Northwest since January 1, 2010.¹

Boise-based Western Capital Bank and Lake Oswego, Oregon based-Northwest Bank today announced the signing of a definitive agreement whereby Northwest Bank will merge with Western Capital Bank, pending regulatory and shareholder approval. The merger will expand the reach and resources of both banks while providing greater operational and regulatory efficiencies.

Western Capital Bank was formed in March 2008, and had \$158 million in assets and \$32.7 million in capital as of December 31, 2011. Northwest Bank was formed in June 2005, and had \$104 million in assets and \$8.8 million in capital as of December 31, 2011.

The combined bank will adopt the name Northwest Bank and will continue to operate from their current locations in Lake Oswego, OR and Boise, ID. Kevin Kelly, Chairman of Northwest Bank, will join the board of Western Capital Corp.

The transaction is structured as a merger of Northwest Bank with Western Capital Bank through an exchange of cash and stock. Most shares of Northwest Bank will be converted into shares of Western Capital Corporation, a bank holding company, which owns 100% of Western Capital Bank. Smaller share lots will be paid in cash.

The merger is subject to receipt of all necessary regulatory and shareholder approvals. The merger is expected to be completed in the third quarter of 2012.

Comparable Financial Highlights

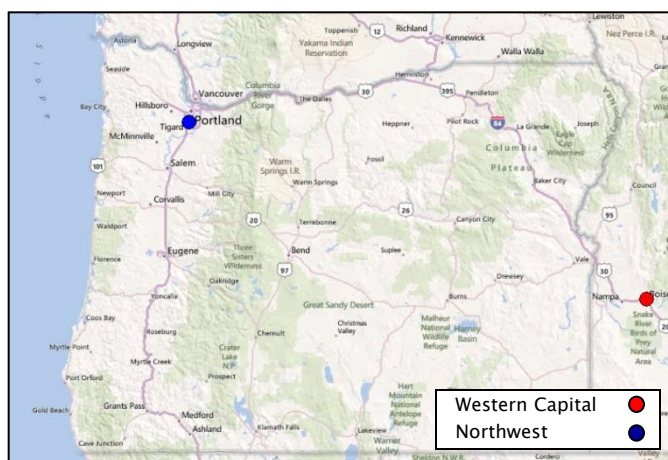
	Western Capital Bank	Northwest Bank
<i>(Dollars in millions)</i>		
Total Assets	\$158	\$104
Net Loans	\$82	\$69
Total Deposits	\$125	\$95
NPAs / Assets	1.15%	5.13%
Total Tangible Equity	\$33	\$9
Tang. Comm. Equity / Tang. Assets	20.63%	8.43%

Note: Financial data as of December 31, 2011

¹ Includes bank or thrift merger transactions since 2010 with the target headquartered in Washington, Oregon, or Idaho; excludes terminated transactions and the Regents Bancshares, Inc. acquisition

Source: SNL Financial

Pro Forma Branch Network



Sandler O'Neill Contacts:

AL GLOWASKY
Managing Director
(415) 978-5058

ADAM KEEFER
Associate Director
(415) 978-5057

BRYCE RITZEL
Vice President
(415) 978-5052

SAHAND MOAREFY
Analyst
(415) 978-5053