

February 18-24, 2013

{ Q&A }

Recovery's Roadmap

The recession is over and business is better—although there's still room to argue about how much improvement can be seen for banks and their customers here.

So the Business Journal's Jane Yu asked OC bankers: Where do you see the economic recovery, and how does it affect the bank's plans for this year?

David Blackford

Chief executive
California Bank & Trust

We are optimistic about the business climate in Orange County and other major metropolitan areas in California. While the recovery has been slow, it does appear to be picking up speed.

In Orange County, we see improvement in residential and commercial real estate values and sales activity. There is also noticeable

improvement in select industries such as technology, health-care, leisure and hospitality, and professional and business services.



Blackford

Orange County has one of the lowest unemployment rates in the state at 6.8% in December, compared to California in aggregate at 9.8%. It's our

expectation that the unemployment rate will continue to drop at a slow-to-moderate pace.

The stronger economic climate is resulting in an increase in the demand for credit. Demand has also been driven by consumers and businesses refinancing existing debt to take advantage [of] historically low interest rates. Loan balances increased moderately in 2012, with the majority of this growth during the fourth quarter. We expect this trend to continue into 2013.