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Pacific West Bank Announces Third Quarter Earnings

West Linn, Oregon, October 29, 2021. – Pacific West Bank (OTCM: PWBO) today reported financial results for the third quarter ended September 30, 2021. Pacific West Bank (“Bank”) today announced third-quarter net income of \$609,000 or \$0.23 per diluted share and for the nine months ended September 30, 2021, net income of \$1.3 million or \$0.49 per diluted share.

Third Quarter 2021 Results:

- Net income of \$609 thousand or \$0.23 per diluted share.
- Interest and fee income grew by \$698 thousand or 32.5% compared to prior quarter.
- Total assets as of quarter-end were \$276.7 million.
- Originated \$26.3 million in core loan (excluding PPP loans) commitments during the quarter.
- PPP loans of \$22.6 million were forgiven by the SBA.
- There were no loans past due greater than 30 days as of quarter-end, consistent with prior periods.
- Capital levels as of September 30, 2021, remained strong with a leverage ratio of 12.55%.

YTD 2021 Results:

- Net income of \$1.3 million or \$0.49 per diluted share.
- Interest and fee income grew \$2.9 million or 67.7% compared to the same period in prior year.
- Asset growth of \$64.9 million or 34.1%.
- Origination of \$43.5 million in core loan commitments (excluding PPP loans).
- Origination of \$64.2 million of SBA PPP loans.
- PPP loans of \$53.5 million were forgiven by the SBA.

Net income for the nine months ended September 30th, 2021, was \$1.3 million or \$0.49 per diluted share, up 252.5% compared to the same period in the previous year. Net income for the quarter was \$609 thousand or \$0.23 per diluted share, up 150.5% compared to the previous quarter. Increased earnings in the third quarter were driven by core loan growth, investment in securities, and recognition of deferred PPP (“Payment Protection Program”) loan fees as the loans were forgiven by the SBA.

“Our team of experienced bankers continue to see opportunities to assist Portland businesses as they emerge from the economic turmoil caused by the pandemic,” said CEO Terry Peterson. “We continue to deepen relationships with prominent Portland businesses, non-profit organizations and professional service firms as

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they recognize and demand banking services with local decision making from a locally headquartered bank,” he continued.

As of September 30th, 2021, net loans totaled \$182.9 million, which included \$39.8 million in PPP loans. During the quarter, core loans (excluding PPP loans) grew by \$15.0 million or 11.69%. Credit quality continues to be strong with no loans past due greater than 30 days and one well-secured non-accrual loan totaling \$24.0 thousand. The Bank’s allowance for loan loss was \$1.975 million or 1.38% of core loans (excluding PPP loans). The provision for loan loss during the third quarter of \$150 thousand was driven by loan growth.

“PWB continues to invest in technology, and we are proud to have rolled out the Bank’s new and refreshed website as well as our new domain address at www.pacificwestbank.com”, said Ben Mansheim the Bank’s Chief Operations and Technology Officer. “Our continued investment in technology demonstrates impactful innovation for our clients and increased efficiency for our Bank,” he continued.

As of September 30th, 2021, deposits totaled \$233.7 million, during the quarter the deposits grew \$7.5 million or 3.3%. The year-to-date growth of deposits was \$63.6 million or 30.6%. Additionally, on the liability side of the balance sheet, the Bank used excess cash to pay off \$15.2 million it had in borrowings it had with the Federal Reserve under the PPPLF program.

“Our growing brand in Portland continues to build momentum as evidenced by our growth so far in 2021” said Bob Harding, the Bank’s President and COO. “Our client focused service model and the recent investments made by the Bank make it exceptionally well positioned to grow in Portland as it emerges from the pandemic and Bank consolidation continues.”

About Pacific West Bank: Information about the Bank’s stock may be obtained through the over-the-counter marketplace at www.otcmarkets.com (symbol PWBO)

Pacific West Bank was formed in 2004 by Portland businesspeople to deliver loan and deposit product solutions through experienced and professional bankers to businesses, nonprofits, professionals, and individuals. The Bank serves the greater Portland Metro area with a branch- lite delivery model with offices strategically located in Downtown Portland, Lake Oswego, and West Linn.

Certain statements in this release may be deemed to be "forward-looking statements". Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

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Balance Sheets
(amounts in 000s, except per share data and ratios)

	9/30/2021	6/30/2021	% Change Quarter	12/31/2020	% Change YTD
ASSETS					
Cash & due from banks	\$ 44,456	\$ 43,472	2.3%	\$ 26,904	65.2%
Investments - CD	2,685	2,685	0.0%	2,685	0.0%
Investments - Debt Securities	36,236	37,355	-3.0%	21,866	65.7%
Investments - Correspondent Stock	954	954	0.0%	851	12.1%
Gross loans net of fees	182,957	189,827	-3.6%	149,536	22.3%
Allowance for loan losses	(1,975)	(1,825)	8.2%	(1,675)	17.9%
Net loans	180,982	188,002	-3.7%	147,861	22.4%
Premises and equipment, net	4,570	4,672	-2.2%	4,904	-6.8%
Deferred tax asset, net	1,337	1,525	-12.3%	1,661	-19.5%
BOLI	4,077	4,048	N/A	3,968	2.7%
Other assets	1,392	1,278	8.9%	1,084	28.4%
Total Assets	\$ 276,688	\$ 283,991	-2.6%	\$ 211,784	30.6%
LIABILITIES					
Deposits	\$ 233,738	\$ 226,217	3.3%	\$ 170,095	37.4%
Borrowed funds	5,000	20,209	-75.3%	5,000	0.0%
Other liabilities	2,999	3,221	-6.9%	2,914	2.9%
Total Liabilities	241,738	249,647	-3.2%	178,009	35.8%
STOCKHOLDERS' EQUITY					
	34,951	34,344	1.8%	33,775	3.5%
Total Liabilities and Stockholders' Equity	\$ 276,688	\$ 283,991	-2.6%	\$ 211,784	30.6%
Shares outstanding at end-of-period	2,659,516	2,658,051		2,657,254	
Book value per share	\$ 13.14	12.92		\$ 12.71	
Allowance for loan losses to total loans	1.08%	0.96%		1.12%	
Non-performing assets (non-accrual loans & OREO)	\$ 24	\$ 27		\$ 51	
Leverage Ratio	12.55%	12.03%		15.86%	

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Statements of Net Income
(amounts in 000s, except per share data and ratios)

	Three Months Ended			Nine Months Ended		
	9/30/2021	6/30/2021	% Change	9/30/2021	9/30/2020	% Change
INTEREST INCOME						
Loans Interest Income	\$ 1,729	\$ 1,648	4.9%	\$ 4,949	\$ 3,599	37.5%
Investments & due from banks	190	167	13.5%	479	295	62.5%
Loan fee income	932	337	176.6%	1,868	458	307.9%
Total interest income	2,850	2,152	32.5%	7,297	4,352	67.7%
INTEREST EXPENSE	134	148	-9.8%	426	572	-25.5%
NET INTEREST INCOME BEFORE LOAN LOSS PROVISION	2,717	2,004	35.6%	6,871	3,780	81.8%
PROVISION FOR LOAN LOSSES	150	75	100.0%	300	502	-40.2%
NET INTEREST INCOME AFTER LOAN LOSS PROVISION	2,567	1,929	33.1%	6,571	3,278	100.4%
NON-INTEREST INCOME	66	75	-12.4%	207	126	64.6%
NON-INTEREST EXPENSE	1,812	1,678	8.0%	5,020	4,538	10.6%
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	821	326	151.8%	1,758	(1,133)	255.2%
PROVISION (BENEFIT) FOR INCOME TAXES	212	83	155.6%	453	(277)	263.7%
NET INCOME (LOSS)	\$ 609	\$ 243	150.5%	\$ 1,305	\$ (856)	252.5%
Earnings per share - Basic	\$ 0.23	\$ 0.09		\$ 0.49	\$ (0.32)	
Earnings per share - Diluted	\$ 0.23	\$ 0.09		\$ 0.49	\$ (0.32)	
Return on average equity	6.93%	3.82%		5.38%	-3.30%	
Return on average assets	0.87%	0.45%		0.68%	-1.14%	
Net interest margin	4.01%	2.89%		3.51%	3.18%	
Efficiency ratio	65%	81%		71%	121%	