

First Quarter 2022



FOR IMMEDIATE RELEASE: April 28, 2022

Pacific West Bank Announces First Quarter 2022 Earnings

West Linn, Oregon, April 28, 2022. – Pacific West Bank (OTC: PWBO) today reported financial results for the first quarter ending March 31, 2022. Pacific West Bank (“Bank”) today announced first quarter net income of \$354 thousand or \$0.13 per diluted share.

First Quarter 2022 Results:

- Net income of \$354 thousand, or \$0.13 per diluted share.
- \$20.6 million in core loan commitments originated during the quarter.
- Core loan net growth (excluding PPP loans) of \$9.4 million, or 5.4%, during the quarter.
- Loan interest income grew by \$144 thousand, or 7.6%, compared to prior quarter.
- Total assets as of quarter-end were \$260.8 million.
- PPP loans of \$11.3 million were forgiven by the SBA during the quarter.
- There were no non-accrual loans or past due loans greater than 30 days as of quarter-end.
- Capital levels as of March 31, 2022, remained strong with a leverage ratio of 12.59%.

“Economic activity is accelerating in downtown Portland and the surrounding suburbs as restaurants, stores, sporting events, and theaters open their doors. We too, have opened our doors by hosting clients, businesses, and non-profit organizations at our Portland office. These events are attended by likeminded community leaders looking to grow their businesses and organizations by working with our experienced Bankers,” said the Bank’s CEO Terry Peterson.

First quarter net income was \$354 thousand or \$0.13 per share, which was up from the prior quarter by \$145 thousand or 69%. Loan interest income grew \$144 thousand or 7.6% compared to the prior quarter which was driven by the \$31.5 million in core loan growth from the prior quarter.

Total loans as of March 31, 2022, were \$194.0 million, which included \$10.5 million in PPP loans, resulting in \$183.5 million in core loans. Core loans grew \$9.4 million, or 5.4% during the first quarter, which drove the \$150 thousand in provision for loan loss expense during the first quarter. The Bank currently holds 1.29% of total loans in the allowances for loan losses. There were no charge-offs during the quarter or loans past due greater than 30 days. The Bank had one non-accrual loan which paid off during the quarter. “The Bank’s loan portfolio credit metrics continue to be strong, and we continue to be vigilant sentinels of credit quality as changes in the economic landscape unfold,” said Rob Holden, the Bank’s Chief Credit Officer.

First Quarter 2022

As of March 31st, 2022, deposits totaled \$219.0 million, down \$11.8 million from yearend. The net deposit outflow was anticipated in the first quarter, as several of our larger commercial clients communicated their use of the funds for business purposes. The Bank continues to focus on mid-market commercial clients that traditionally experience cyclical fluctuations in their deposit balances, particularly during the first quarter. Additionally, contributing to the change in deposit balances over the past 12-months were the effects of PPP loans that were funded into deposit accounts and then used to support the client's payroll.

"Portland's business community recognized Robert Harding, President of Pacific West Bank, as the Portland Business Journal's Executive of the Year for 2022," said Ed Kawasaki, Board Chairman. "We are proud of Bob and the recognition of all that he does for our community through his role as President of the Bank, while serving on the Board of numerous Portland non-profit organizations."

About Pacific West Bank: Information about the Bank's stock is available 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 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.

First Quarter 2022



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

	March 31,		% Change Quarter	December 2021	% Change YTD
	2022	2021			
ASSETS					
Cash & due from banks	\$ 20,562	\$ 48,653	-57.7%	\$ 28,040	-26.7%
Investments - CD	2,685	2,685	0.0%	2,685	0.0%
Investments - Debt Securities	33,406	30,292	10.3%	35,994	-7.2%
Investments - Correspondent Stock	1,030	954	7.9%	954	7.9%
Gross loans net of fees	193,999	195,521	-0.8%	195,527	-0.8%
Allowance for loan losses	(2,375)	(1,750)	35.7%	(2,225)	6.7%
Net loans	191,624	193,771	-1.1%	193,302	-0.9%
Premises and equipment, net	4,329	4,783	-9.5%	4,451	-2.8%
Deferred tax asset, net	1,879	1,623	15.7%	1,525	23.2%
BOLI	4,136	4,004	3.3%	4,104	0.8%
Other assets	1,155	1,430	-19.2%	3,637	-68.2%
Total Assets	\$ 260,806	\$ 288,196	-9.5%	\$ 274,693	-5.1%
LIABILITIES					
Deposits	\$ 219,019	\$ 230,857	-5.1%	\$ 231,263	-5.3%
Borrowed funds	5,000	20,209	-75.3%	5,000	0.0%
Other liabilities	2,565	3,151	-18.6%	3,306	-22.4%
Total Liabilities	226,585	254,217	-10.9%	239,569	-5.4%
STOCKHOLDERS' EQUITY					
Total Liabilities and Stockholders' Equity	\$ 260,806	\$ 288,196	-9.5%	\$ 274,693	-5.1%
Shares outstanding at end-of-period	2,662,957	2,657,254		2,662,566	
Book value per share	\$ 12.85	\$ 12.79		\$ 13.19	
Allowance for loan losses to total loans	1.22%	0.90%		1.14%	
Non-performing assets (non-accrual loans & OREO)	\$ -	\$ 34		\$ 18	
Leverage Ratio	12.59%	13.91%		12.11%	

First Quarter 2022



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

	Three Months Ended			Three Months Ended		
	3/31/2022	12/31/2021	% Change	3/31/2022	3/31/2021	% Change
INTEREST INCOME						
Loans Interest Income	\$ 2,031	\$ 1,887	7.6%	\$ 2,031	\$ 1,572	29.2%
Investments & due from banks	204	193	5.7%	204	123	66.2%
Loan fee income	411	710	-42.0%	411	599	-31.3%
Total interest income	2,646	2,790	-5.1%	2,646	2,294	15.4%
INTEREST EXPENSE	113	117	-3.2%	113	145	-21.8%
NET INTEREST INCOME BEFORE LOAN LOSS PROVISION	2,533	2,673	-5.2%	2,533	2,149	17.9%
PROVISION FOR LOAN LOSSES	150	250	-40.0%	150	75	100.0%
NET INTEREST INCOME AFTER LOAN LOSS PROVISION	2,383	2,423	-1.6%	2,383	2,074	14.9%
NON-INTEREST INCOME	71	62	15.1%	71	67	6.5%
NON-INTEREST EXPENSE	1,978	2,056	-3.8%	1,978	1,529	29.4%
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	476	428	11.1%	476	612	-22.2%
PROVISION (BENEFIT) FOR INCOME TAXES	122	219	-44.3%	122	158	-22.5%
NET INCOME (LOSS)	\$ 354	\$ 209	69.0%	\$ 354	\$ 454	-22.1%
Earnings per share - Basic	\$ 0.13	\$ 0.08		\$ 0.13	\$ 0.17	
Earnings per share - Diluted	\$ 0.13	\$ 0.08		\$ 0.13	\$ 0.17	
Return on average equity	4.09%	2.40%		4.09%	5.35%	
Return on average assets	0.53%	0.30%		0.53%	0.74%	
Net interest margin	3.97%	3.95%		3.97%	3.68%	
Efficiency ratio	76%	75%		76%	69%	