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For More Information Contact: Douglas H. Leeding, CEO, 503-905-2230

PACIFIC WEST BANK REPORTS THIRD QUARTER FINANCIAL RESULTS

West Linn, OR – Pacific West Bank (OTCBB: PWBO) reported net income of \$11,000 and diluted earnings per share of \$0.01 for the quarter ended September 30, 2008 compared with net income of \$142,000 and diluted earnings per share of \$0.19 for the quarter ended September 30, 2007. For the first nine months of 2008, the Bank reported net income of \$59,000 and diluted earnings per share of \$0.08 compared with net income of \$293,000 and diluted earnings per share of \$0.39 for the comparable period in 2007.

Pacific West Bank Chief Executive Officer Douglas H. Leeding comments, “Given the current pressure on net interest margins and our increased cost structure associated with opening two new facilities last quarter, we are satisfied with our financial results for the quarter. We had anticipated a near breakeven quarter, so a modest profit is an improvement. Currently, our primary objective is to grow our balance sheet and, on that front, we made considerable progress.”

Other financial highlights:

- Total assets increased to \$60.5 million as of September 30, 2008 compared with \$42.0 million as of December 31, 2007 (44% increase) and \$40.2 million as of September 30, 2007 (51% increase).
- Loans, net of deferred fees, increased to \$53.8 million as of September 30, 2008 compared with \$36.3 million as of December 31, 2007 (48% increase) and \$36.1 million as of September 30, 2007 (49% increase).
- Total deposits increased to \$47.1 million as of September 30, 2008 compared with \$32.1 million as of December 31, 2007 (47% increase) and \$28.4 million as of September 30, 2007 (66% increase).
- Net interest margin on earning assets decreased 173 basis points to 4.64% for the quarter ended September 30, 2008 compared with 6.37% for the quarter ended September 30, 2007. For the first nine months of 2008, net interest margin decreased 182 basis points to 4.69% compared with 6.51% for the comparable period in 2007.

Net Interest Margin

Mr. Leeding continued, “As a bank with a relatively high percentage of floating rate loans, our interest income and net income for the third quarter and the first nine months of 2008 were negatively impacted by the cuts in federal funds rates. Based on the greater fixed rate nature of our deposits and borrowings, the benefits of such rate cuts on interest expense are realized more slowly. Such benefit on interest expense is further offset by the fact that we have become increasingly more dependent on interest-bearing deposits and borrowed funds to finance our asset growth.”

The Bank's net interest margin on earning assets consisted of the following:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	<u>9/30/08</u>	<u>9/30/07</u>	<u>9/30/08</u>	<u>9/30/07</u>
Interest income to average earning assets	7.63%	9.23%	7.70%	9.27%
Interest expense to average earning assets	2.99%	2.86%	3.01%	2.76%
Net interest margin on earning assets	4.64%	6.37%	4.69%	6.51%

Credit Quality

Mr. Leeding continued, "Credit quality continues to be a core strength. No loans were written off during the quarter and no loans are in nonaccrual status as of quarter end. During the quarter, the allowance for loan losses grew by \$60,000 (proportional to loan growth) and stands at \$718,000 or 1.33% of loans, net of deferred fees, as of September 30, 2008. Although we do have loans to residential developers and builders, we have no exposure to regional or national builders and we have no sub-prime or Alt-A mortgage loans in our portfolio."

Deposit Growth

Bank President Steve Gray comments, "Growing core deposits has been and continues to be one of our primary strategic objectives. We have successfully implemented a number of initiatives in this area and we are very pleased with the results. Total deposits increased by \$7.4 million during the quarter - \$6.0 million from core deposits and \$1.4 million from noncore sources."

About Pacific West Bank:

Pacific West Bank, a community bank, commenced operations in November 2004. The Bank, headquartered in West Linn, Oregon, opened its second branch in Lake Oswego, Oregon in 2008. Pacific West Bank provides not only highly personalized deposit and loan services to individuals and small-to-medium-sized businesses but also financial and volunteer support to a variety of community, business and charitable organizations. For more information about Pacific West Bank, please call 503-905-2222 or visit www.bankpacificwest.com. Information about the Bank's stock may be obtained through the Over the Counter Bulletin Board at www.otcbb.com. Pacific West Bank's stock symbol is PWBO.

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Forward-looking Statements:

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 forwardlooking statement.