

Dear Shareholders:

Pacific West Bank's financial results for the second quarter of 2015 reflect the continuing positive trend we have exhibited over the past several years.

We have continued to have success in growing new, strong relationships, and have continued to see growth in loan and deposit customers alike.

Driven by recent loan growth and continued diligence in watching our operating expenses, we generated a pre-provision profit for the second quarter. Combined with continued improving assets quality trends, we're quite proud of how far we've come, and look forward to continuing to build a sustainable, profitable future.

Continued loan growth remains vital to our future profitability, and as a small institution we receive a significant number of our prospective loan clients from referrals. I would encourage you to keep us in mind for future financial needs you may have, as well as to recommend us to friends and colleagues.

Thank you for your ongoing support.

Sincerely,



Steven W. Gray

President & CEO

STATEMENTS OF OPERATIONS

(in thousands) (unaudited)

	Three Months Ended	
	6/30/15	6/30/14
Interest and fee income	\$ 555	\$ 550
Interest expense	62	65
Net interest income	493	485
Provision for loan losses	-	(53)
Net interest income after provision	493	538
Noninterest income	29	30
Salaries and employee benefits	304	316
Occupancy	86	87
Other noninterest expense	131	148
Total noninterest expense	521	551
Income before income taxes	1	17
Income tax expense	-	-
Net income	\$ 1	\$ 17

	Six Months Ended	
	6/30/15	6/30/14
Interest and fee income	\$ 1,073	\$ 1,098
Interest expense	123	127
Net interest income	950	971
Provision for loan losses	(61)	(81)
Net interest income after provision	1,011	1,052
Noninterest income	55	56
Salaries and employee benefits	611	616
Occupancy	179	171
Other noninterest expense	265	291
Total noninterest expense	1,055	1,078
Income before income taxes	11	30
Income tax expense	-	-
Net income	\$ 11	\$ 30

BALANCE SHEETS

(in thousands) (unaudited)

	6/30/15	12/31/14
Cash and due from banks	\$ 2,357	\$ 2,183
Overnight funds	6,288	6,260
Investments	2,236	2,236
Loans, net of deferred fees	39,268	38,490
Allowance for loan losses	(712)	(768)
Premises and equipment, net	2,536	2,563
Other assets	261	666
Total assets	\$ 52,234	\$ 51,630
Deposits	\$ 47,041	\$ 46,903
Other liabilities	171	162
Total liabilities	47,212	47,065
Shareholders' equity	5,022	4,565
Total liabilities and shareholders' equity	\$ 52,234	\$ 51,630

SUPPLEMENTAL INFORMATION

	6/30/15	12/31/14
Allowance for loan loss as a percentage of loans	1.81%	2.00%
Tier 1 capital to average assets	9.48%	8.84%
Shares outstanding	5,898,953	5,394,842
	Six Months Ended	
	6/30/15	6/30/14
Yield on earning assets	4.35%	4.89%
Cost of funds	0.50%	0.57%
Net interest margin	3.85%	4.33%

Executive Management



STEVE GRAY

PRESIDENT & CHIEF EXECUTIVE OFFICER

Steve joined the Bank in July 2008, and has over 20 years accounting and finance experience, including seven years with an international CPA firm and six years as Corporate Controller for Microsoft Corporation. Steve is a member of the Board of Directors of the Oregon Bankers Association and is active in several community organizations. A native Oregonian, Steve is a graduate of Oregon State University. 503-905-2217



BOB SEIBERT

CHIEF FINANCIAL OFFICER & SENIOR VICE PRESIDENT

Bob joined Pacific West Bank in 2008 and manages the Bank's finances, internal controls, and financial reporting. Bob has over 20 years experience at community banks in Oregon and is a member of the Oregon Bankers Association's Financial Officers and Investment, Human Resources, and Technology Committees. Bob has served as Treasurer of the West Linn Chamber of Commerce. Bob holds BA and MBA degrees from Willamette University. 503-905-2226



CONNIE KEMP

CHIEF OPERATING OFFICER & SENIOR VICE PRESIDENT

Connie joined Pacific West Bank in April 2010 and was promoted to Chief Operating Officer in August 2010. Connie oversees all areas of operations and business development for the Bank. She has over 36 years of banking experience. Connie serves on Oregon Bankers Association Committees for Operations, Compliance and F.I.S.T and is a former Advisory Board Member and instructor at the Western Compliance School. Connie is a Graduate of Northwest Intermediate Banking School and is a Certified Regulatory Compliance Manager and Bank Compliance Officer. She is a director and President of the Soroptimist Club of Lake Oswego/West Linn and is a former Court Appointed Special Advocate (CASA). 503-905-2220



West Linn

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Lake Oswego

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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 forward-looking statement.



Pacific West Bank Shareholders' Report

June 30, 2015

