



YOUR PATHWAY TO SUCCESS

Dear Friends of Pacific Alliance Bank:

1st Quarter Results 2008

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An To

Joe Teo, CFO
Corp. Sec'y

Last January, we changed to a quarterly instead of monthly newsletter and wish to extend our greetings for this very interesting year.

We just released our 1st quarter results, which is posted on our web site, the www.otcbb.com (under PFBN stock symbol), and included with this letter in our statement this month. As of March 31st, our total assets, gross loans, and deposits totaled \$53.6, \$28.1, and \$37.1 million, respectively.

We are pleased with our performance in this very challenging environment and have no lending exposure to the sub-prime and overall residential industry sector. Our loans are commercial in nature and are substantially secured.

Our SBA product development efforts are continuing, with our SBA Department of five having a loan processing capability. As previously reported, this department is headed by SVP Vilcar Koo. We are continuing with the development of our professional and medical practice lending niche as well.

Hiring of excellent bankers is an ongoing effort and we appreciate receiving referrals from our friends and investors. We also offer awards for these successful hirings as well.

On the deposit side, we are continuing to promote our FlexChecking account, with a current interest rate of 2.68% APY (with average balances of \$2.5 thousand or more on a monthly basis). This is the best rate locally for this free and unlimited checking account (interest rates subject to change). We have enjoyed receiving strong customer response for this deposit product.

On behalf of our Directors and Management, I wish all of you the best and welcome your visiting and otherwise communicating with us.

Yours truly,

Robert B. Oehler Robö
President and CEO