



YOUR PATHWAY TO SUCCESS

Dear Friends of Pacific Alliance Bank:

Wishing all a prosperous 2008 !

Board of Directors

Andrew Su, Chair.

Samuel Cheng, VChair.

Robert Oehler, CEO

Last month was our year-end monthly letter. We announced our First Annual Award of Distinguished Contribution, with Simon Lee as our awardee.

Going forward, we will provide our newsletter messages on a quarterly basis, in January, April, July, and October. Next year's awardee will be announced in January, 2009.

Richard Barkhurst

James Chou

Joseph Gigliotti

Janet Ha, CCO

Peter Kam

Dennis Lin

Nancy Luke

Michael Sun

Yee-Jen Shuai

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This year, we are continuing our efforts to take the bank's growth to its second year stage of development. If you know of good candidates for loan officer, branch deposit gathering, and credit analyst bankers, please provide us with referrals.

We are pleased with our overall achievements in 2007 -our first year of operation- thanks to our staff and support from our Board, investors, and clients. At year end, the Bank had total assets of \$52.7 million, with gross loans totaled \$25.7 million and deposits of \$36.3 million. See our unaudited financial results enclosed with this newsletter.

Joe Teo, CFO
Corp. Sec'y

We are continuing our SBA product development efforts, with the hiring of Vilcar Koo as SVP and head of our SBA department and also our previously mentioned Ryan Butler. Both are involved with our loan origination efforts.

Our regulators are in the midst of our first year audit, and we expect a satisfactory conclusion.

On behalf of our Directors and Management, I wish all of you the best of good fortune for the coming year!

Yours truly,

Robert B. Oehler "Rob"
President and CEO