

Pacific Alliance Bank Announces Second Quarter Results

Rosemead, Calif. (February 18, 2010) – [Pacific Alliance Bank](#) (OTC Bulletin Board: PFBN) reports operating results for the 2nd quarter ending June 30, 2010, as follows:

- The 2nd Quarter 2010 net profit was \$21,000 or 1 cent per share (including a one time securities gain of \$128,000 and zero loan loss provision for the quarter) vs. net loss of \$576,000 or 35 cents per share in the 2009 2nd Quarter (with \$0 securities gain and \$263,000 in loan loss provision).
- Total Assets decreased by \$9.6 million to \$86.7 million (a 10% decrease from \$96.3 million at June 30, 2009), due to management targeting of deposit levels in accordance with the Bank's Profit Plan.
- Loans outstanding (gross) decreased by \$1.7 million to \$55.6 million (a 3.1% decrease from \$57.3 million at June 30, 2009). Loans booked since June 30, 2009 totaled \$20.0 million, offset by loan payoffs of \$13.9 million and SBA loan sales of \$ 7.8 million.
- Deposits outstanding decreased by \$9.9 million to \$69.9 million (a 12.4% decrease from \$79.9 million at June 30, 2009), in line with management profitability targets.
- No provision for loan losses for the quarter, with allowance for loan losses to total loans at 3.2%.
- As of June 30, 2010, non-accrual loans involved two SBA 7a loans and two conventional loans, with total principal amount of \$0.22 million (75% SBA guaranteed) and \$1.138 million respectively (vs. a total of \$1.749 million as of June 30, 2009).
- Importantly, the Bank continues to be categorized as "well-capitalized" under the regulatory guidelines, with Tier 1 leverage capital ratio of 13.34%, Tier 1 risk-based capital ratio of 22.85%, and Total risk-based capital ratio of 24.14%.

Notwithstanding ongoing turmoil in the credit markets and property impairment valuations, Pacific Alliance Bank continues its mission of delivering business value, serving small to mid-size businesses, owners, and key employees who seek a personal bank ready to meet their banking needs with customized services.

Pacific Alliance Bank is a full-service FDIC insured community bank, headquartered at 8400 E. Valley Blvd., Rosemead, California 91770. For more information, contact Ms. Trish Lomeli-Sproles (626) 773-8897 or tsproles@pacificalliancebank.com and visit <http://www.pacificalliancebank.com>.

This document may include forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this document the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe" and similar expressions, the Bank intends to identify forward-looking statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors, which are beyond our control.