

**Pacific Alliance Bank Announces Third Quarter Results**

Rosemead, Calif. (October 23, 2009) – [Pacific Alliance Bank](#) (OTC Bulletin Board: PFBN) continues its growth, with management expecting to achieve break-even in the first quarter of 2010, supported by ongoing referrals of business operating relationships from shareholders and clients.

Despite ongoing unprecedented turmoil in the credit markets, the Bank reports success in its loan remedial management efforts in October 2009, achieving payoff of a \$1 million non-accrual loan risk rated Substandard. Furthermore, a non-accrual restructured SBA loan of \$416,000 has been paying and is expected to return to current status in December. We project non-accrual loans to reduce by the sum of \$1,416,000.

We report our operating results for the 3rd quarter ending September 30, 2009, as follows:

- Total Assets increased by \$30.6 million to \$ 94.2 million, or 48% growth from \$63.5 million at September 30, 2008.
- Loans outstanding increased by \$20.9 million to \$56.4 million, or 58.8% growth from \$35.5 million at September 30, 2008.
- Deposits outstanding increased by \$32.9 million to \$78.3 million, or 72.6% growth from \$45.3 million at September 30, 2008.
- Provision for loan losses was \$208,000 for the quarter, with allowance for loan losses to total loans at 3.22%.
- As of September 30, 2009, three SBA 7a loans (\$656,000 – 75% SBA guaranteed) and two conventional loans (\$1,792,000) were on non-performing status.
- The Bank continues to be categorized as “well-capitalized” under the regulatory guidelines, with Tier 1 leverage capital ratio of 10.66%, Tier 1 risk-based capital ratio of 16.19%, and Total risk-based capital ratio of 17.44%.

The 3rd Quarter operating loss was \$500,000 (\$42,000 better than the same period 2008 result of \$542,000). The loss reduction resulted from higher net interest income in the 2009 third quarter (\$616,000, an increase of \$172,000 over the same period a year ago) but offset by a higher loan loss provision (\$208,000, an increase of \$131,000 vs. the 2008 third quarter).

The Bank has chosen to revise its 2<sup>nd</sup> quarter financial results, due to information received in July with subsequent analysis leading to the downgrading of one loan to Substandard (an addition of \$124,000 to the June 30, 2009 loan loss expense provision), increasing the period loss from \$619,000 to \$743,000. This loan is expected to be paid in full on or before its December 2009 scheduled maturity.

Finally, as a measure of relative quality of the Bank’s \$1.4 million of non-performing loans as of September 30, 2009, the Bank continues to receive cash payments on these loans with a yield approximating 6% (not withstanding applying a portion of these cash payments to reduction of principal).

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](mailto: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.