

Pacific Alliance Bank Announces Fourth Quarter Profit and January Capital Increase

Rosemead, Calif. (February 18, 2010) – [Pacific Alliance Bank](#) (OTC Bulletin Board: PFBN) celebrates its third year of operation, reporting its first profitable quarter since its inception on December 27, 2006.

The Bank also announces a \$2 million increase in capital (200,000 shares at \$10.00 per share) in January 2010, as part of an ongoing Private Placement Offering and in the context of the Bank's Profit and Capital Plan. This Plan supports the Bank's continuing growth and success, targeting a growth Tier 1 leverage capital ratio in excess of 11.0%, significantly in excess of "well capitalized" banking standards. The capital increase includes participation from the Bank's Board members.

We report our operating results for the 4th quarter ending December 31, 2009, as follows:

- The Bank reports 4th Quarter operating profit of \$30,000, which was \$1,089,000 better than the same period 2008 result of net loss of \$1,059,000. This 2009 achievement resulted from \$338,000 in higher net interest income and a zero loan loss provision for the quarter compared with \$768,000 for the same period a year ago.
- Total Assets increased by \$9.4 million to \$88.9 million, or 11.8% growth from \$79.4 million at December 31, 2008.
- Loans outstanding increased by \$8 million to \$55 million, or 17.1% growth from \$46.9 million at December 31, 2008.
- Deposits outstanding increased by \$12.7 million to \$74.4 million, or 20.6% growth from \$61.6 million at December 31, 2008.
- The zero provision for loan losses for the quarter resulted from successful remedial management leading to a repayment in full of a \$1 million non-performing loan.
- As of December 31, 2009, three SBA 7a loans and one conventional loan were on nonaccrual, with total principal amount of \$415,799 (75% SBA guaranteed) and \$766,774, respectively.
- As of December 31, 2009, the Bank continued to be categorized as "well-capitalized" under the regulatory guidelines, with Tier 1 Leverage Capital percentage of 11.29%, Tier 1 Risk-based Capital percentage of 17.54%, and Total Risk-based Capital percentage of 18.79% (before the January 2010 \$2 million capital increase).
- Had the \$2 million of new capital been received in December 31, 2009, the Bank's Tier 1 Leverage Capital percentage would have been 13.36%, Tier 1 Risk-based Capital percentage of 20.06%, and Total Risk-based Capital percentage of 21.29%.
- For the year ended December 31, 2009, the net loss was \$1,977,000, or \$1.19 per share, compared with the net loss of \$2,412,000, or \$1.45 per share for December 31, 2008.

The Bank also announces the hiring of Mr. Cary Niu, EVP Commercial Banking and Chief Lending Officer, who will lead the Bank's effort to develop C & I business relationships, targeting an increase in core deposits and fee income and complementing the Bank's increasingly active SBA Lending Department.

Notwithstanding 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.