

American Pacific Bank



American Pacific Bank

Our Future is our Name



Portland, Oregon

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*American Pacific Bank's
Portland office located in the
central business district.*

SUMMARY



American Pacific Bank is an Oregon state chartered commercial bank, organized under the state of Oregon Banking Act. The institution was incorporated on June 6, 1979, under the name, Santiam Valley Bank. Operations commenced on December 6, 1979, in the small agricultural community of Aumsville, Oregon, eight miles from the state's capitol city of Salem.

By 1987, the combination of an economic recession in Oregon and weakness in previous management caused local and national regulatory authorities with the banking industry, to encourage Mr. Fai H. Chan to recapitalize and restructure the Bank. Mr. Chan undertook this task, and restructuring and recapitalization began in earnest in January 1988. In March 1988, the name of the Bank was changed to American Pacific Bank.

Today, management has substantially restructured the Bank's loan portfolio and operations achieving significant reductions in the area of past due loans and operational writeoffs. An infusion of capital in 1988 and 1989 has allowed the Bank to expand its service.

American Pacific Bank has evolved from an unprofitable institution to one defined by state banking regulators as one of the most improved banking institutions in the region. American Pacific's future will be defined as one of growth and success.



The Bank's head office located in Aumsville, Oregon.



A HISTORICAL PERSPECTIVE



American Pacific Bank was incorporated in Aumsville, Oregon on June 6, 1979, under the name Santiam Valley Bank. Operations commenced on December 6, 1979, in the small agricultural community of Aumsville, near the capitol city of Salem.

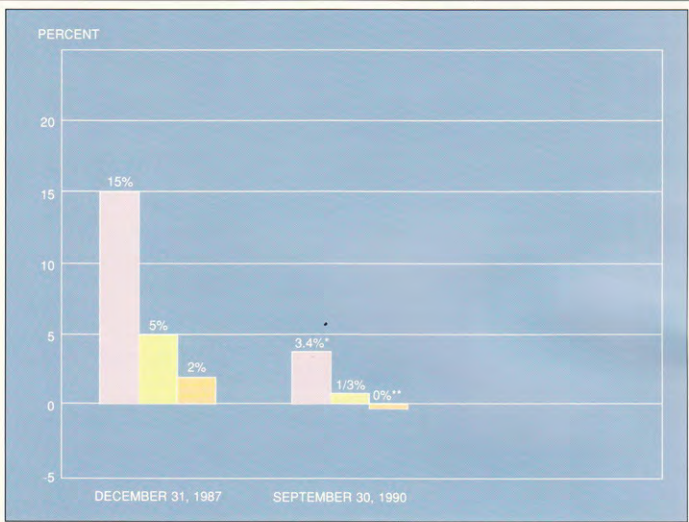
In 1982, the Bank moved into its present headquarters, a 4,900 square foot facility which it owns, in Aumsville. Since its inception, the Bank has served the area's agricultural and forest products-based communities, as well as the residential areas east of Salem.

A branch office was opened in Mill City, Oregon in 1983 to serve the surrounding communities. The mortgage banking office opened in Lake Oswego in February 1988 to offer real estate financing services to the Portland metropolitan area and these offices were subsequently moved to the One Financial Center Building in downtown Portland in February 1990. Since moving to this location, the Bank has expanded its real estate loan brokering and construction services, and plans call for expansion into other financial fee-generating services, as well.

A state chartered commercial bank since its incorporation, American Pacific Bank currently manages in excess of 3,000 accounts. The Bank offers a wide range of services, which include deposit account services for both consumers and businesses, savings accounts, NOW and money market accounts, IRAs and time Certificates of Deposit. Real estate loans and construction financing are provided at the downtown Portland location.

As a member of the Federal Reserve System and the Federal Deposit Insurance, American Pacific Bank is subject to federal regulations, as well as periodic examinations by banking regulators. As a state chartered commercial bank, American Pacific must also comply with state regulations and submit to periodic examinations by the state of Oregon, Department of Insurance and Finance, as well as the Federal Reserve Bank of San Francisco.

TWO YEAR SELECTED LOAN & OPERATIONAL DATA COMPARISONS BY PERCENT FROM 1987 TO 1990



* 62% of total guaranteed 100% by FmHA

** Represents recoveries on operational charge offs from prior periods

% OF TOTAL
NON-ACCRAUAL LOANS

% OF TOTAL LOANS OVER
30 DAYS PAST DUE

% OF TOTAL DEPOSITS
OPERATIONAL CHARGE OFFS

American Pacific Bank ... "It has cleaned up its rotten assets, and it's a shiny new bank. They have brought in new managers, who are alert and savvy and made special arrangements with customers who have troubled loans and implemented better loan-qualifying standards."

Cecil Monroe
Deputy Administrator
Oregon Department of Insurance & Finance

*The Oregonian Newspaper
Business Section
September 19, 1989*

RECENT SUCCESSES



Under current management, American Pacific Bank has successfully instituted new policies and procedures for banking operations and lending practices.

The Bank has reduced to acceptable levels, past due loans, including commercial, installment and non-accrual loans. For the 24 month period ending December 1989, loans over 30 days past due were reduced by 89 percent and now comprise less than one percent of total loans. Operational writeoffs have been reduced by a significant 99 percent since 1987. Management has completely rewritten all major policy statements for the Bank and has implemented programs which will continue to improve the Bank's performance.

American Pacific is under the direction of a highly qualified management team with proven experience in the development and management of successful commercial banks. The areas of construction lending and the brokering of real estate loans have demonstrated to be profitable vehicles in banking. The personalized attention offered by the Bank is a desired service sought after by both business owners and individual customers.



"By December 31, 1995, we will be the No. 1 performing Bank in the United States of America. I have resolved that I shall make this happen."

Fai H. Chan
Fai H. Chan
Chairman

THE CHAIRMAN'S STATEMENT AND PERSPECTIVE



American Pacific Bank was incorporated in June 1979 in the state of Oregon. It was recapitalized in 1987, and further capitalized in 1988. With the advent of new management in January 1988, they have spent two years restructuring the Bank's portfolio. Now the restructuring is basically completed and planned growth has begun. For the decade of the 90's, the goal of the Bank is to be the No. 1 Bank in the United States of America in terms of all recognized performance ratios. In order to achieve this level of excellence, American Pacific Bank will utilize its global connections, and will specifically concentrate on Asia-Pacific customers. In so doing, the Bank will be in a unique position to find global solutions to the problems of selected domestic customers.

The global economic changes heralded in by the 90's are unprecedented, and American Pacific Bank's management is at the forefront of these changes. It is dedicated to maintaining the Bank's position as a leader in this new era. To this end, the Bank will:

Recognize global business as an opportunity for profitable growth;

Take a worldwide view of its business and the business of its corporate customers;

Organize as a global enterprise in markets accessible to its customers;

Balance the "what" strategy and the "how" tactics;

Invest for long term growth;

Facilitate relationships of people and corporations on a global basis.

Our Bank has the global outlook to help its customers grow profitably, and our management will make it happen.

Our future is our Name

Fai H. Chan
January 1991



American Pacific Bank's senior management promotes teamwork while encouraging creativity and initiative within a framework of disciplined management. APB's people enjoy a high degree of freedom to develop their business ideas within a value system that rewards performance and integrity.

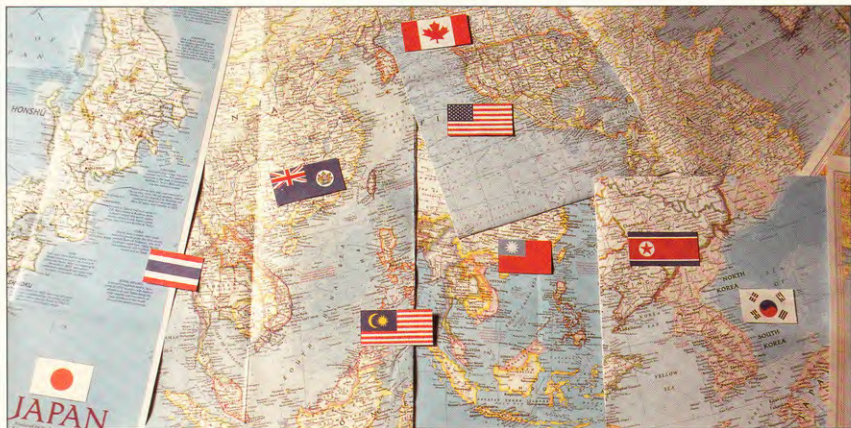
PHILOSOPHY



The philosophy of American Pacific Bank is to provide only the highest quality of service and to deliver its services to its customers efficiently and competitively. Close, confidential banker-customer relationships are maintained at all times.

With its policy of close customer relations and a flexible approach, American Pacific Bank is able to ensure that the package of financial products and services it provides are appropriate to the specific needs of its customers.

American Pacific Bank has a unique, well established international network, designed to assist its customers beyond their normal banking needs.



American Pacific Bank's
existing and future networks

U.S.A.
CANADA
HONG KONG
MALAYSIA
SINGAPORE
THAILAND
TAIWAN
CHINA
PHILIPPINES
INDONESIA
JAPAN

OBJECTIVES

for American Pacific Bank's Shareholders-Customers-Staff

SHAREHOLDERS

- List the Bank's shares internationally
- Achieve a higher return in stockholder equity every year
- Achieve a high dividend for shareholders
- Realize greater capital appreciation for shareholders

CUSTOMERS

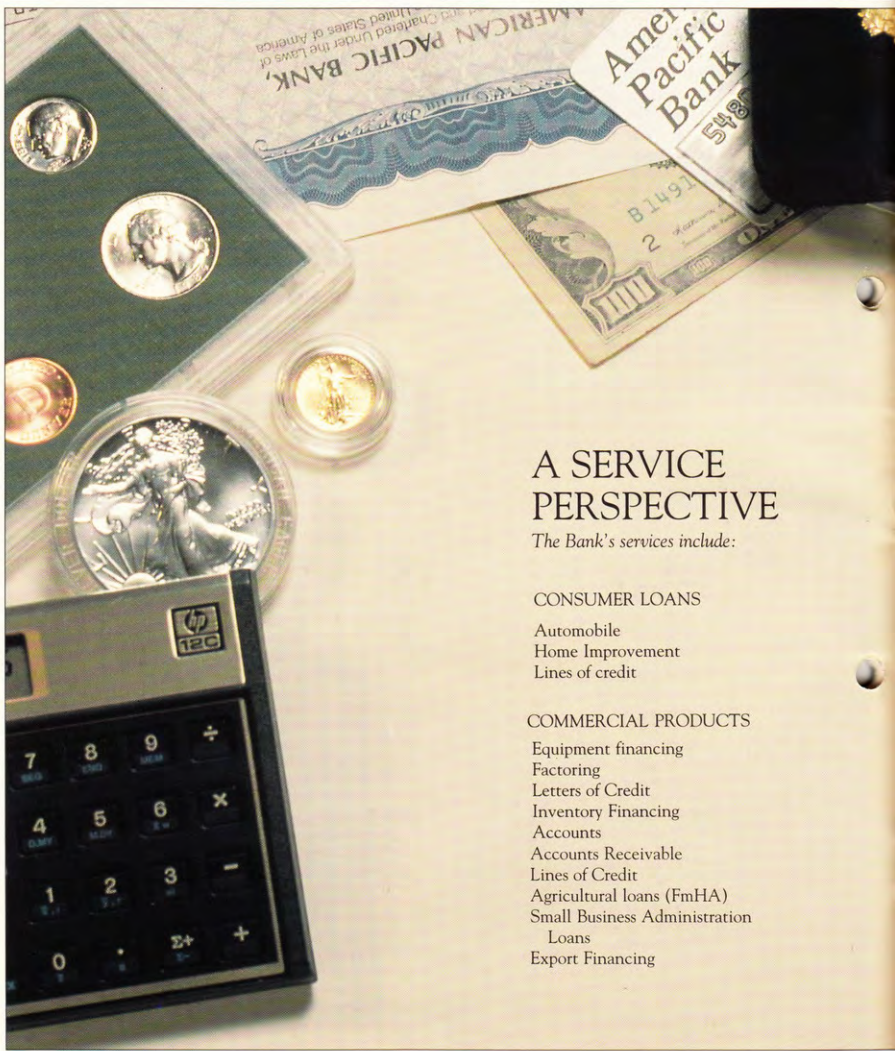
- Provide excellent banking services
- Assist corporate customer in profitable global growth through innovative solutions
- Provide personalized private banking service to corporate and individual customers
- Provide globally linked information concerning investment opportunities

STAFF

- Provide security in employment
- Facilitate long-term career development
- Participate in management process
- Foster an organization employees will be proud to serve



*The Pacific Northwest
and Vancouver, BC.*



A SERVICE PERSPECTIVE

The Bank's services include:

CONSUMER LOANS

Automobile
Home Improvement
Lines of credit

COMMERCIAL PRODUCTS

Equipment financing
Factoring
Letters of Credit
Inventory Financing
Accounts
Accounts Receivable
Lines of Credit
Agricultural loans (FmHA)
Small Business Administration
Loans
Export Financing

FUTURE FOCUS

American Pacific Bank is a participant in the global market, and in response to the growing demands of customers, the Bank will focus on providing the following enhanced services.

INVESTMENT BANKING AND CAPITAL MARKETS

American Pacific Bank offers a wide range of services for its corporate customers. Apart from advising on the appropriate strategy a corporate entity may wish to adopt to achieve its objectives, American Pacific Bank can be relied upon to assist with the conceptual stage of the strategy as well as the various stages of implementation and the successful completion.



INCLUDED IN THE SERVICES ARE THE FOLLOWING:

Corporate planning and provision of advice on company capitalization;

Assistance in the selection of joint-venture partners;

Evaluation of companies to assess their financial needs and to advise them as to an appropriate financing package;

Advice concerning the company's equity structure, its stock float and listing of its shares in the USA, Canada, Asia, and other major overseas stock

exchanges. This involves assistance in making applications to and listing with the various government authorities, stock exchanges, and coordinating with various professionals involved in the entire procedure.

Arrangement of underwriting facilities;

Arrangement of private placement;

Formulation of strategy and assistance in the implementation of mergers and acquisitions;

Packaging and syndication of international debt and equity facilities;

Advisory services concerning capital restructuring, turnaround management, business advisory and feasibility studies.

All services offered will be in accordance with applicable laws, regulations and appropriate approvals by federal officials.

FEE-BASED INCOME

PRIVATE BANKING

American Pacific Bank will emphasize private banking to Pacific Rim customers as well as domestic customers for specialized corporate and individual needs. Each customer will receive personal and custom-tailored solutions to each request.



SPECIALIZED FINANCIAL SERVICE

Factoring services for domestic and international trading customers.

CONSTRUCTION FINANCE

Syndication of construction and income property financing.



TRUST

American Pacific Bank is planning to establish a Trust Department to provide a wider range of products and services. Listed are a number of the services currently in demand in the marketplace.

- Investment Portfolio Management
- Securities Processing
- Real Estate Management and Development
- Tax Service
- Corporate Trust Stock Transfer
- Personal Trust
- Custodian Service



FUND MANAGEMENT

For corporate and individual investors, American Pacific Bank is able to provide the unique capability to manage a group of special single country Asian funds together with recognized Asian security houses and fund managers. At least nine single country funds have been targeted.



BARRON'S
NATIONAL BUSINESS

Investor's Business Digest
Friday

THE WALL STREET JOURNAL
MONEY & INVESTMENT

'Early Bird' Nasdaq Plan Hits a Snag

Stocks, Bonds, Long-Term Treasury Yield Exceeds 9%; But Buyers Are Few

CREDIT MARKETS

Oil Moves Still Higher, Ends At \$31.93 A Barrel
World oil prices continued to climb amid unexpected announcements over the Persian Gulf crisis, U.S. crude peaked at \$32 a barrel to hit a seven-year high of \$31.93, up 71 cents from \$31.22, oil prices

Over-The-Counter Market: Losers Rout Winners 6-1
The Over-The-Counter market retreated in a lull, posting its smallest gain in a year. The Dow Jones Industrial Average dropped 40.78 points, or 0.7%, to 4287.42, a 12-month low. Losers routed winners 6-1.




DURABLE ORDERS
January's July score jumped 5.5% from June. Last month, up 2.9% from 6.7%.

Category	Value
Auto	1.2
Appl	1.1
Equip	1.0
Other	0.9

Arco Hoops

Symbol	Price
Arco	45.00
Hoops	42.00



GROWTH THROUGH ACQUISITION

A

merican Pacific Bank will evaluate the potential acquisition of other banks as a means of increasing its market share on the West Coast. Return on investment will be the key consideration when looking at growth through acquisition.

AMERICAN PACIFIC BANK STOCK

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merican Pacific Bank will not be content to limit its expansion and growth opportunities to a narrow range of products, services, or locations. The same will be true of the Bank's stock. American Pacific Bank has set a goal to have its stock listed in Asia and Canada as well as the USA. We believe this diversification will provide a broad range of support for American Pacific Bank. With the listing of stocks internationally it will be easier to facilitate acquisition by issuance of the Bank's stock.

SEGMENT ANALYSIS BY INCOME



EXISTING REVENUES

The Bank's current mix of loans has facilitated the change in existing revenues from 85% interest income and 15% fee based income in 1988 to 75% interest income and 25% fee based income in 1990.



FUTURE REVENUES

The Bank's ultimate goal is to reach a mix of assets which will produce 85% of the Bank's income from fees and 15% from interest income.


AMERICAN
PACIFIC
BANK

Best
Performing
Bank
in USA

BY 1995

American Pacific Bank is committed to becoming the best performing Bank in the United States of America in the 90's.

- (1) Number One in return on Dividends
- (2) Number One in Stock Appreciation
- (3) Number One in return on Equity
- (4) Number One in return on Assets
- (5) Number One in Capital ratio per total Assets
- (6) Number One in lowest percentage of bad debts
- (7) Number One in Earnings per employee
- (8) Number One in Assets under management per employee



This corporate profile contains public information and is for informational purposes only. In addition, this profile is neither an offer itself nor a solicitation of an offer to buy any of the capital stock of American Pacific Bank.

