



## PRESS RELEASE

For Immediate Release  
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### **AltaPacific Bancorp Announces 2014 Year End Performance Results and Declares 5% Stock Dividend**

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 28, 2015 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,427,000, and quarterly net income totaling \$1,422,000 for the period ending December 31, 2014, respectively. The Net income reported represents a year-over-year increase of \$1,990,000 (138.5%) over 2013. The Company also reported that the Board of Directors recently approved the payment of a 5% stock dividend per common share payable on February 20, 2015 to shareholders of record as of February 6, 2015.

Assets totaled \$340,672,000 at December 31, 2014, representing a decrease of \$11.8 million (3.3%) over September 30, 2014 and an increase of \$101.8 million (42.6%) over December 31, 2013. At December 31, 2014, gross loans totaled \$225,281,000 representing an increase of \$4.2 million (1.9%) over September 30, 2014 and an increase of \$82.0 million (57.3%) over December 31, 2013. Deposits totaled \$262,511,000 at December 31, 2014 representing a decrease of \$23.6 million (8.2%) over September 30, 2014 and a \$93.5 million (55.3%) increase over December 31, 2013. At December 31, 2014, the Allowance for Loan and Lease Losses totaled \$2,746,000, representing 1.7% of Gross Loans originated. The loans acquired through mergers and acquisitions are acquired at their fair market value. In accordance with generally accepted accounting principles, no allowance was provided for the acquired loans at December 31, 2014.

The Company's Share Repurchase Program, which was adopted in 2012, has resulted in the repurchase and retirement of 453,845 shares of Company stock at an average cost of \$9.15. During 2014, the Company repurchased and retired 266,536 shares at an average cost of \$10.32.

"Certainly the highlight for our Company this past year has been the opportunity to merge with Mission Oaks Bancorp. Our past experience served to make this a very efficient process and the financial results certainly are positive as our year-over-year net income has more than doubled. The ability to combine the resources of AltaPacific and Mission Oaks has proved to be a great benefit to our customers, staff and shareholders," reported Charles O. Hall, President and Chief Executive Officer. Continuing, Mr. Hall stated, "Fortunately, the bank continues to remain in a very strong financial position. With regard to future merger opportunities, we continue to look for merger candidates who will complement the Company's existing asset quality and high capital levels."

AltaPacific Bancorp is the parent company for AltaPacific Bank. The Company's stock trades over the counter under the symbol ABNK. AltaPacific Bank is an independent business bank headquartered in Santa Rosa, California and has offices in Santa Rosa, Temecula, Rancho Cucamonga, Covina and Fallbrook, California. The bank is focused on meeting the specialized needs of small to medium-sized businesses and professionals throughout California. The U.S. Small Business Administration has approved the bank as a PLP lender (Preferred Lender Program). PLP status is the highest lending designation granted by the SBA and it is only granted to its most experienced lenders. For additional information, please contact us at (707) 236-1500 or online at [www.apbconnect.com](http://www.apbconnect.com).

The following is a summary of the company's financial performance (unaudited) as of December 31, 2014:

<i>(Dollars in thousands)</i>	<b>December 31, 2013</b>	<b>September 30, 2014</b>	<b>December 31, 2014</b>
Gross Loans	\$ 143,232	\$ 221,124	\$ 225,281
Allowance for Loan Losses	2,070	2,301	2,746
Net Loans	141,162	218,823	222,534
Total Assets	238,900	352,444	340,672
Total Deposits	168,995	286,107	262,511
Shareholders' Equity	47,983	48,008	48,841

<i>(Dollars in thousands, except per share amounts)</i>	<b>Three Month Period Ending</b>		<b>Year-to-Date</b>	
	<b>September 30, 2014</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>	<b>December 31, 2014</b>
Interest Income	\$ 4,657	\$ 5,470	\$ 11,140	\$ 17,469
Interest Expense	364	383	905	1,265
Net Interest Income	4,293	5,087	10,235	16,204
Provision for Loan Losses	100	430	410	625
Noninterest Income	524	601	428	1,516
Noninterest Expense	3,420	2,918	7,901	11,308
Pretax Income	1,297	2,340	2,352	5,787
Provision for Income Taxes	463	918	915	2,360
Net Income	834	1,422	1,437	3,427
Return on Average Assets	1.13%	1.96%	0.63%	1.10%
Return on Average Equity	6.95%	11.75%	3.01%	7.10%
Efficiency Ratio	71.00%	51.30%	74.10%	63.81%
EPS Basic	\$ 0.15	\$ 0.27	\$ 0.26	\$ 0.63
EPS Diluted	\$ 0.15	\$ 0.26	\$ 0.26	\$ 0.61
Book Value Per Common Share	\$ 8.97	\$ 9.24	\$ 8.65	\$ 9.24

#### *Forward-Looking Statements*

*This press release may contain forward-looking statements about AltaPacific Bancorp and its subsidiaries, including descriptions of plans or objectives of its management for future operations, products or services, and forecasts of its revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may." Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors — many of which are beyond AltaPacific's control — could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: (1) competitive pressures among depository and other financial institutions may increase significantly; (2) revenues may be lower than expected; (3) changes in the interest rate environment may reduce interest margins; (4) general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit; (5) legislative or regulatory changes, including changes in accounting standards and tax laws, may adversely affect the businesses in which AltaPacific is engaged; (6) competitors may have greater financial resources and develop products that enable such competitors to compete more successfully than AltaPacific; and (7) adverse changes may occur in the securities markets or with respect to inflation. Forward-looking statements speak only as of the date they are made. Except as required by law, AltaPacific does not undertake to update forward-looking statements to reflect subsequent circumstances or events.*