



PRESS RELEASE

For Immediate Release
Contact Person:
Charles O. Hall
President & CEO
(707) 236-1500

January 31, 2013

AltaPacific Bancorp Announces 2012 Year End Performance Results and Declares 5% Stock Dividend

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 31, 2013 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$1,831,000 and quarterly net income totaling \$177,000 for the period ending December 31, 2012, respectively. The Company also reported that the Board of Directors recently approved the payment of a 5% stock dividend per common share payable on March 1, 2013, to shareholders of record as of February 15, 2013.

In February 2012, the Company merged with Stellar Business Bank. In connection with the merger, the Company recorded a one time Bargain Purchase Gain totaling \$936,000. Excluding the effect of this one time event, year-to-date net income for the Company would have totaled \$895,000. During the quarter ending December 31, 2012, the Company recorded a provision for loan losses totaling \$175,000 and also incurred a \$270,000 write-down for certain investment securities which were deemed to be other-than-temporarily impaired (“OTTI”).

Assets totaled \$216,715,000 at December 31, 2012, representing a decrease of 2.6% compared to September 30, 2012 and an increase of 87.9% compared to December 31, 2011. At December 31, 2012, gross loans totaled \$98,831,000 representing a 0.3% increase compared to September 30, 2012 and a 65.1% increase compared to December 31, 2011. Deposits totaled \$161,940,000 at December 31, 2012 representing a 3.9% decrease compared to September 30, 2012 and a 112.0% increase compared to December 31, 2011. In May 2012, the Company announced a Share Repurchase Program. Since that announcement, the Company has repurchased 82,000 shares of common stock.

At December 31, 2012, the Allowance for Loan and Lease Losses totaled \$1,659,000 and represented 2.6% of Gross Loans originated. In accordance with Generally Accepted Accounting Principles, loans acquired in a merger transaction are stated at their Fair Value, which takes into consideration potential credit losses in addition to other risk elements such as interest rates. Accordingly, an allowance for loan losses is not carried over or recorded as of the acquisition date. At December 31, 2012, nonaccrual loans totaled \$157,000 and there were no other loans past due in excess of 30 days.

Charles O. Hall, the Company’s President and Chief Executive Officer stated, “Our disciplined approach to banking these past few years has continually resulted in excellent asset quality and consistent earnings. The quality of our balance sheet combined with a total risk-based capital ratio in excess of 26% places us in an excellent position for future growth.” Continuing, Mr. Hall stated, “The Company is well positioned to serve the needs of new and existing customers while we continue to look for appropriate merger and acquisition candidates.”

AltaPacific Bancorp is the parent company of 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, Rancho Cucamonga and Covina, 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.

The following is a summary of the Company's financial performance (unaudited) as of December 31, 2012:

<i>(Dollars in thousands)</i>	December 31, 2011	September 30, 2012	December 31, 2012
Gross Loans	\$ 59,874	\$ 98,503	\$ 98,831
Allowance for Loan Losses	1,300	1,515	1,659
Net Loans	58,574	96,988	97,172
Total Assets	115,319	222,529	216,715
Total Deposits	76,400	168,573	161,940
Shareholders' Equity	26,334	47,848	47,835

<i>(Dollars in thousands)</i>	Three Month Period Ending		Year-to-Date	
	September 30, 2012	December 31, 2012	December 31, 2011	December 31, 2012
Interest Income	\$ 3,105	\$ 2,699	\$ 5,668	\$ 10,760
Interest Expense	263	255	516	993
Net Interest Income	2,842	2,444	5,152	9,767
Provision for Loan Losses	--	175	(123)	300
Provision for OREO Losses	175	--	--	175
Provision for OTTI	--	270	120	320
Bargain Purchase Gain	--	--	--	936
Noninterest Income	69	44	73	285
Noninterest Expense	2,158	1,802	4,562	7,738
Pretax Income	578	241	666	2,455
Provision for Income Taxes	234	64	362	624
Net Income	344	177	304	1,831

Forward-Looking Statements

This press release contains forward-looking statements. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of AltaPacific Bancorp and its subsidiary AltaPacific Bank and on information available to management at the time these statements were made. There are a number of factors, many of which are beyond AltaPacific's control, which 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.