



## PRESS RELEASE

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

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### **AltaPacific Bancorp Announces Performance Results for Third Quarter 2012**

SANTA ROSA, Calif. – (BUSINESS WIRE) – October 22, 2012 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported net income for the quarter totaling \$344,000 and year-to-date net income totaling \$1,205,000 for the period ending September 30, 2012, respectively.

Assets totaled \$222,080,000 at September 30, 2012, representing an increase of 4.4% over June 30, 2012 and an increase of 92.6% over December 31, 2011. At September 30, 2012, gross loans totaled \$98,503,000 representing a 13.9% decrease over June 30, 2012 and a 64.5% increase over December 31, 2011. Deposits totaled \$168,573,000 at September 30, 2012 representing a 7.9% increase over June 30, 2012 and a 120.6% increase over December 31, 2011.

At September 30, 2012, the Allowance for Loan and Lease Losses totaled \$1,515,000 and represented 2.4% 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 September 30, 2012, nonaccrual loans totaled \$181,000 and there were no other loans past due in excess of 30 days.

“This economic cycle has continued to hinder many small and medium sized businesses. As a result, our industry is finding it increasingly difficult to generate new loans,” stated Allen Christenson, the Company’s Chief Financial Officer. Mr. Christenson further stated, “However, our ongoing focus towards establishing relationships with quality businesses combined with a disciplined credit culture has resulted in a long history of profitability for this Company.”

“With the successful merger with Stellar Business Bank behind us, we are actively looking for further business opportunities,” Charles O. Hall, the company’s President and Chief Executive Officer stated. Continuing, Mr. Hall stated, “As a result of our strong capital position, we are better prepared than ever to serve the needs of business owners while we continue to look for appropriate merger and acquisition candidates.”

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, 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](http://www.apbconnect.com).

The following is a summary of the company's financial performance (unaudited) as of September 30, 2012:

<i>(Dollars in thousands)</i>	<b>December 31, 2011</b>	<b>June 30, 2012</b>	<b>September 30, 2012</b>
Gross Loans	\$ 59,874	\$ 114,378	\$ 98,503
Allowance for Loan Losses	1,300	1,514	1,515
Net Loans	58,574	112,864	96,988
Total Deposits	76,400	156,251	168,573
Total Assets	115,319	212,758	222,080
Shareholders' Equity	26,334	45,587	47,399

<i>(Dollars in thousands)</i>	<b>Three Month Period Ending</b>		<b>Nine Month Period Ending</b>	
	<b>June 30, 2012</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>September 30, 2012</b>
Interest Income	\$ 2,953	\$ 3,105	\$ 4,108	\$ 8,061
Interest Expense	273	263	357	738
Net Interest Income	2,680	2,842	3,751	7,323
Provision for Loan Losses	125	--	--	125
Provision for OREO Losses	--	175	50	175
Noninterest Income	20	69	25	678
Noninterest Expense	2,026	2,158	3,264	5,936
Pretax Income	549	578	462	1,765
Provision for Income Taxes	249	234	213	560
Net Income	300	344	249	1,205

#### *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.*