



## PRESS RELEASE

For Immediate Release

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### **AltaPacific Bancorp Announces 2010 Year End Results and Declares Stock Dividend**

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 28, 2010 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported net income for the quarter totaling \$243,000 and year-to-date net income totaling \$902,000 for the period ending December 31, 2010. Additionally, the company declared a 5% stock dividend to be distributed on February 18, 2011 to shareholders of record as of February 4, 2011.

Assets totaled \$79,797,000 at December 31, 2010, representing an increase of 1.0% over September 30, 2010 and a decrease of 4.6% over December 31, 2009. At December 31, 2010, the company's net loans totaled \$60,132,000 representing an 8.8% increase over September 30, 2010 and a 0.2% decrease over December 31, 2009. Deposits totaled \$47,139,000 at December 31, 2010 representing a 9.1% decrease over September 30, 2010 and a 6.8% decrease over December 31, 2009. Included in the change in total deposits is a decrease in Certificates of Deposit totaling \$4.5 million (34.8%) and \$11.2 million (57.1%) for the quarter and twelve month period ending December 31, 2010, respectively.

At December 31, 2010, the company's Allowance for Loan and Lease Losses totaled \$1,423,000 and represented 2.31% of Gross Loans. At December 31, 2010, all of the company's loans were performing and there were no loans past due in excess of 30 days. The Total Risk-Based Capital Ratio for AltaPacific Bank totaled 36.0% at December 31, 2010, which substantially exceeds the 10% minimum ratio for a well capitalized institution. The bank's regulatory capital ratios have continually been among the highest of any commercial bank operating in California.

"As a result of the adverse economic conditions, we have been very cautious in our lending strategy," reported Allen R. Christenson, the Company's Chief Financial Officer. Continuing, Mr. Christenson stated, "Customers in our Real Estate Industries Group have done an excellent job of completing and selling projects. They have a proven track record and we have enjoyed our relationship with them. However, they too have been impacted by the economy and many are electing to delay new construction projects. As a result, we reduced Certificates of Deposit during 2010 as they tend to be our most expensive source of funds."

Charles O. Hall, the company's President and Chief Executive Officer stated, "Our business strategy has continued to focus on attracting clients who have been successful in managing their businesses. These customers have a great appreciation for the quality service we provide as well as our commitment to meeting their needs." Continuing, Mr. Hall stated, "Our Board of Directors and officers have maintained a disciplined approach in managing the risks associated with our industry. As a result, we feel the company is well positioned as it looks for potential acquisition opportunities."

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 Sonoma County. The bank is focused on meeting the specialized needs of small to medium-sized businesses and professionals. AltaPacific Bank is located at 3725 Westwind Blvd., Suite 100, Santa Rosa, California and is near the Charles M. Schultz – Sonoma County Airport. 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, 2010:

<i>(Dollars in thousands)</i>	<b>December 31, 2009</b>	<b>September 30, 2010</b>	<b>December 31, 2010</b>
Gross Loans	\$ 61,519	\$ 56,601	\$ 61,555
Allowance for Loan Losses	1,251	1,323	1,423
Net Loans	60,268	55,278	60,132
Total Deposits	50,557	51,841	47,139
Total Assets	83,685	78,969	79,797
Shareholders' Equity	25,011	26,470	27,050

<i>(Dollars in thousands)</i>	<b>Three Month Period Ended</b>		<b>Twelve Month Period Ended</b>	
	<b>September 30, 2010</b>	<b>December 31, 2010</b>	<b>December 31, 2009</b>	<b>December 31, 2010</b>
Interest Income	\$ 1,354	\$ 1,334	\$4,958	\$5,609
Interest Expense	126	115	500	508
Net Interest Income	1,228	1,219	4,458	5,101
Provision for Loan Losses	125	100	866	785
Noninterest Income	2	3	12	11
Noninterest Expense	945	989	3,427	3,835
Income Tax Benefit	100	110	271	410
Net Income	260	243	448	902

#### *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.*