



## PRESS RELEASE

For Immediate Release  
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### **AltaPacific Bancorp Announces Performance Results for Second Quarter 2011**

SANTA ROSA, Calif. – (BUSINESS WIRE) – July 29, 2011 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported net income for the quarter totaling \$60,000 and year-to-date net income totaling \$173,000 for the period ending June 30, 2011, respectively. The bank recently celebrated its fifth anniversary as it opened for business on July 10, 2006.

Assets totaled \$92,850,000 at June 30, 2011, representing an increase of 11.5% over March 31, 2011 and an increase of 16.4% over December 31, 2010. At June 30, 2011, the bank's net loans totaled \$53,894,000 representing a 2.8% decrease over March 31, 2011 and a 10.4% decrease over December 31, 2010. Deposits totaled \$60,040,000 at June 30, 2011 representing a 19.0% increase over March 31, 2011 and a 27.4% increase over December 31, 2010. Increases in deposits resulted principally from growth in core deposits as Certificates of Deposit decreased 9.1% since March 31, 2011 and increased 6.4% since December 31, 2010.

At June 30, 2011, the company's Allowance for Loan and Lease Losses totaled \$1,423,000 and represented 2.57% of Gross Loans. At June 30, 2011, all of the company's loans were performing and there were no loans past due in excess of 30 days. In addition, the company has not experienced any loan charge-offs during the year. The Total Risk-Based Capital Ratio for AltaPacific Bank totaled 37.90% at June 30, 2011, which substantially exceeds the 10% minimum ratio for a well capitalized institution. The bank's regulatory capital ratios continue to be among the highest of any commercial bank operating in California.

"As an industry, we are all struggling to find quality loans. Our management group and lending team continue to maintain a very disciplined approach. In addition, many of our construction lending customers have completed and sold existing projects; however, they are waiting to start new projects," reported Allen R. Christenson, the Company's Chief Financial Officer. Continuing, Mr. Christenson stated, "We believe it is best to remain patient while the economy struggles to improve. While continuing to look for appropriate lending opportunities, we have focused our efforts on building core deposit relationships, as evidenced by the 27.4% year-to-date increase in deposits." Regarding the opening of the bank's new branch in the Inland Empire Region of Southern California, Mr. Christenson reported "As expected with a startup operation, the new branch is currently operating at a loss. Excluding the operating losses of the new branch, the Company's net income for the three and six month periods ending June 30, 2011 total \$150,000 and \$263,000, respectively."

Charles O. Hall, the company's President and Chief Executive Officer stated, "We are very pleased with the growth currently being experienced at our new Inland Empire Branch which opened on May 27<sup>th</sup>. We have assembled a great team of professionals who understand the needs of our customers and are committed to providing exceptional service." Mr. Hall also stated, "We continue to actively seek appropriate merger and acquisition candidates and believe our efforts will be rewarded. The combination of our strong capital position, asset quality and leadership experience of our Board of Directors and management make us a very attractive business partner."

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 and Rancho Cucamonga, California. The bank is focused on meeting the specialized needs of small to medium-sized businesses and professionals throughout California. 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 June 30, 2011:

<i>(Dollars in thousands)</i>	<b>June 30, 2010</b>	<b>December 31, 2010</b>	<b>June 30, 2011</b>
Gross Loans	\$ 61,470	\$ 61,555	\$ 55,317
Allowance for Loan Losses	1,411	1,423	1,423
Net Loans	60,058	60,132	53,894
Total Deposits	57,599	47,139	60,040
Total Assets	87,578	79,797	92,850
Shareholders' Equity	25,849	27,050	27,174

<i>(Dollars in thousands)</i>	<b>Three Month Period Ending</b>		<b>Six Month Period Ending</b>	
	<b>March 31, 2011</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>June 30, 2011</b>
Interest Income	\$ 1,345	\$ 1,300	\$ 2,920	\$ 2,645
Interest Expense	116	108	267	224
Net Interest Income	1,229	1,192	2,653	2,421
Provision for Loan Losses	--	--	560	--
Provision for OREO Losses	75	(25)	--	50
Noninterest Income	4	5	6	9
Noninterest Expense	956	1,105	1,901	2,062
Pretax Income	202	117	198	319
Provision for Income Taxes	89	57	(200)	146
Net Income	113	60	398	173

#### *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.*