



## PRESS RELEASE

For Immediate Release

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### **AltaPacific Bank Profitability Trend Continues – Bank Announces Performance Results for Period Ending June 30, 2010**

SANTA ROSA, Calif. – (BUSINESS WIRE) – July 19, 2010 - AltaPacific Bank (OTCBB: ABNK) today reported increased earnings for the eighth consecutive quarter. The bank reported net income for the quarter totaling \$208,000 and year-to-date net income totaling \$398,000 for the period ending June 30, 2010, respectively. The bank recently celebrated its fourth anniversary as it opened for business on July 10, 2006.

Assets totaled \$87,578,000 at June 30, 2010, representing an increase of 0.7% over March 31, 2010 and an increase of 20.3% over June 30, 2009. At June 30, 2010, the bank's net loans totaled \$60,058,000 representing a 7.1% decrease over March 31, 2010 and an 8.2% increase over June 30, 2009. Deposits totaled \$57,599,000 at June 30, 2010 representing a 0.5% increase over March 31, 2010 and a 19.6% increase over June 30, 2009. At June 30, 2010, the bank's Allowance for Loan and Lease Losses totaled \$1,411,000 and represented 2.30% of Gross Loans. The bank did have one nonaccrual loan which totaled \$994,000 at June 30, 2010. The nonaccrual loan is secured by real estate and was transferred to other real estate owned on July 12, 2010.

The bank's total Risk-Based Capital Ratio totaled 36.8% at June 30, 2010 and substantially exceeds the 10% minimum ratio for a well capitalized institution. Furthermore, as of March 31, 2010, the bank's regulatory capital ratios exceed all other banks operating in Sonoma and Marin counties and the bank continues to maintain some of the highest capital ratios of any commercial bank operating in California.

"We have certainly benefited from our decision to remain patient and disciplined throughout these tough economic times," reported Charles O. Hall, the bank's President and Chief Executive Officer. Continuing, Mr. Hall stated, "As the bank continues to focus on its original business plan and core operating principles, we are hopeful we will experience continued success. We are all very pleased with our success since opening the bank in 2006 and are very excited about the opportunities which exist in our future."

With regard to the formation of AltaPacific Bancorp, the bank holding company which was approved at the bank's 2010 annual meeting, regulatory applications have been filed and management is awaiting final approval. It is expected that the formation process will be completed within the next 60 days.

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 bank's financial performance (unaudited) as of June 30, 2010:

<i>(Dollars in thousands)</i>	<b>June 30, 2009</b>	<b>March 31, 2010</b>	<b>June 30, 2010</b>
Gross Loans	\$ 56,464	\$ 66,012	\$ 61,470
Allowance for Loan Losses	974	1,336	1,411
Net Loans	55,490	64,676	60,058
Total Deposits	48,154	57,328	57,599
Total Assets	72,784	86,956	87,578
Shareholder's Equity	24,670	25,429	25,849

<i>(Dollars in thousands)</i>	<b>Three Month Period Ended</b>		<b>Six Month</b>
	<b>March 31, 2010</b>	<b>June 30, 2010</b>	<b>Period Ended June 30, 2010</b>
Interest Income	\$ 1,448	\$ 1,472	\$ 2,920
Interest Expense	134	133	267
Net Interest Income	1,314	1,339	2,653
Provision for Loan Losses	285	275	560
Noninterest Income	2	4	6
Noninterest Expense	942	959	1,901
Income Tax Benefit	100	100	200
Net Income	189	208	398

*This press release includes forward-looking statements that involve inherent risks and uncertainties. AltaPacific Bank cautions readers that a number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include economic conditions and competition in the geographic and business areas in which AltaPacific Bank operates, inflation, fluctuations in interest rates, legislation and governmental regulation, credit quality, and competition affecting the bank's businesses generally; the risk of natural disasters and future catastrophic events including terrorist related incidents; and other factors beyond AltaPacific Bank's control. We make no promise to update any forward-looking statement, whether as a result of changes in underlying factors, new information, future events or otherwise.*