



## PRESS RELEASE

For Immediate Release

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Contact Person:

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### **AltaPacific Bancorp and Mission Oaks Bancorp Sign Definitive Agreement to Merge**

SANTA ROSA and TEMECULA, Calif. – (BUSINESS WIRE) – January 31, 2014 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, and Mission Oaks Bancorp (OTCBB: MOKB), the parent company of Mission Oaks National Bank, announced the signing of a definitive agreement to merge. Under the terms of the agreement AltaPacific Bancorp will acquire Mission Oaks Bancorp for \$0.30 per share in an all-cash transaction valued at approximately \$3.5 million. The operations of Mission Oaks National Bank will be combined into AltaPacific Bank. Completion of the merger is subject to regulatory and Mission Oaks Bancorp's shareholders' approval as well as other customary closing conditions, and the amount of cash consideration per share is subject to potential adjustment.

The transaction is expected to be completed in the second quarter of 2014. The combined company will have approximately \$335 million in assets, \$213 million in gross loans and \$254 million in total deposits. AltaPacific Bank operates branch locations in Santa Rosa, Rancho Cucamonga and Covina, Calif., and Mission Oaks National Bank operates two branches in Temecula and Fallbrook, Calif. At the completion of the merger, the Mission Oaks National Bank branches will be operated as branches of AltaPacific Bank.

This is the second merger for AltaPacific Bancorp. The company completed a merger with Covina, Calif. based Stellar Business Bank in February 2012.

"The merger with Mission Oaks Bancorp will create new opportunities to build on the successes that each company has achieved," stated Charles O. Hall, President and Chief Executive Officer of AltaPacific Bancorp. "We share a commitment to serving our local communities with quality private and business banking products and delivering a high level of personal service. This transaction provides immediate value to customers and shareholders and is a continuation of our strategy to expand our geographic footprint in markets that represent long-term growth potential."

Gary W. Deems, Mission Oaks Bancorp President and Chief Executive Officer stated, "We welcome the opportunity to merge into AltaPacific Bancorp. We have spent the last thirteen years building solid relationships with businesses in the communities we serve, and are pleased to be joining a strong community bank that shares our commitment to superior customer service. Our directors concluded that this was a great fit for our customers and staff, and in the best interests of our shareholders."

AltaPacific Bancorp is being advised in this merger transaction by the law firm of Bingham McCutchen, LLP. Mission Oaks Bancorp is being advised by the law firm of McKenna Long and Aldridge, LLP and Gary Steven Findley of The FINDLEY GROUP as its financial advisor.

AltaPacific Bank is a wholly owned subsidiary of AltaPacific Bancorp. AltaPacific Bank is an independent business bank headquartered in Santa Rosa, Calif. and was organized in 2006. More information about AltaPacific Bank may be obtained at [www.apbconnect.com](http://www.apbconnect.com).

Mission Oaks National Bank is a wholly owned subsidiary of Mission Oaks Bancorp. Mission Oaks National Bank is an independent community bank headquartered in Temecula, Calif. and was organized in 2000. More information about Mission Oaks National Bank may be obtained at [www.missionoaksbank.com](http://www.missionoaksbank.com).

## **Forward Looking Information**

This press release includes certain forward-looking statements about AltaPacific Bancorp, AltaPacific Bank, Mission Oaks Bancorp, Mission Oaks National Bank and the proposed transaction. All statements in this press release, other than statements of historical fact, are forward-looking statements. In particular, statements regarding our expectations about our future financial performance or the realization of the expected benefits of the merger contained in this press release are subject to a number of risks and uncertainties, and future financial results could differ materially due to such risk factors, which are difficult to predict and are beyond our control and the control of AltaPacific Bancorp, AltaPacific Bank, Mission Oaks Bancorp or Mission Oaks National Bank. Such risks and uncertainties include, but are not limited to: the risk that we will not succeed in obtaining the regulatory or shareholder approvals needed for the transaction; the possibility that cost savings expected to be realized in the transaction may not be realized within expected time frames or at all; the possibility that integrating Mission Oaks National Bank's banking business into AltaPacific Bank's banking business could cost more, take longer or be less successful than expected; continued unfavorable economic conditions generally and, more particularly, in Southern California, including high unemployment, could result in loan losses that would adversely affect operating results; the monetary policies of the Federal Reserve, which affect interest rates, as well as competitive pressures among depository institutions, could cause our net interest margins to decline, thereby adversely affecting our banking revenues; and legislative or regulatory requirements or changes, including regulations that are in the process of being adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act, could increase the costs of doing business.

If any of these risks or uncertainties materializes or any of the assumptions underlying the forward-looking statements prove to have been incorrect, our financial performance could differ materially from the financial performance expressed in or implied or projected by, the forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements contained in this press release and we undertake no obligation to update those statements, except as may be required by applicable law.

## **Additional information**

This press release is not a solicitation of a proxy from any shareholder of Mission Oaks Bancorp. In connection with the proposed transaction between Mission Oaks Bancorp and AltaPacific Bancorp, Mission Oaks Bancorp will be preparing a proxy statement with regards to the proposed merger. That proxy statement will be sent to the shareholders of Mission Oaks Bancorp, who are urged to carefully read the proxy statement and any other relevant documents when they become available, because they will contain important information about Mission Oaks Bancorp and the proposed transaction. It also will be possible to obtain copies of the proxy statement and other documents relating to the proposed transaction (when they become available), free of charge, from Mission Oaks Bancorp, upon written request to Mission Oaks Bancorp, 41530 Enterprise Circle South, Temecula, CA 92590; Attention: Mr. Gary W. Deems, or by calling Mr. Deems at (951) 506-8891.