



PRESS RELEASE

For Immediate Release
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AltaPacific Bancorp Reports Earnings for Second Quarter 2016

SANTA ROSA, Calif. – (BUSINESS WIRE) – July 15, 2016 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$2,082,000, or \$0.36 per diluted share, and quarterly net income totaling \$1,131,000, or \$0.19 per diluted share, for the period ending June 30, 2016, respectively.

Assets for the Company totaled \$356,841,000 at June 30, 2016, representing a decrease of \$6.6 million (1.8%) over March 31, 2016 and an increase of \$11.1 million (3.2%) over December 31, 2015. At June 30, 2016, gross loans totaled \$232,372,000 representing a decrease of \$7.4 million (3.1%) over March 31, 2016 and an increase of \$6.9 million (3.1%) over December 31, 2015. Deposits totaled \$265,908,000 at June 30, 2016, representing an increase of \$6.7 million (2.6%) over March 31, 2016 and an increase of \$3.5 million (1.3%) over December 31, 2015.

At June 30, 2016 the Allowance for Loan and Lease Losses totaled \$3,335,000, representing 1.7% of gross loans originated. The loans acquired through mergers and acquisitions are acquired at their fair market value. In accordance with generally accepted accounting principles, no allowance was provided for the acquired loans at June 30, 2016. In addition, at June 30, 2016 nonaccrual loans totaled \$239,000 and there were no other loans past due in excess of 30 days.

In April, 2016, the Company's Board of Directors authorized an extension of the share repurchase program for an additional \$1.0 million of the Company's common stock through April 30, 2017. During 2016, the Company repurchased and retired 90,000 shares at an average cost of \$9.45.

"The first few months of 2016 have been a very busy time for our Company," reported Charles O. Hall, President and Chief Executive Officer. Continuing, Mr. Hall stated, "In February we opened a new office in Riverside and we have just completed the relocation of our headquarters and main branch in Santa Rosa. Additionally, our Inland Empire Branch is in the process of relocating from Rancho Cucamonga to Ontario. Furthermore, on July 10th of this year we celebrated the 10th anniversary of the opening of AltaPacific Bank." Mr. Hall concluded his remarks by stating, "Our Company has experienced a tremendous amount of success during our brief history. We are so very pleased with the opportunity we have had to serve our customers and stakeholders and believe AltaPacific is well positioned for the future."

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 additional banking offices in Covina, Rancho Cucamonga, Riverside and Temecula, 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.

The following is a summary of the company's financial performance (unaudited) as of June 30, 2016:

| <i>(Dollars in thousands)</i> | December 31, 2015 | March 31, 2016 | June 30, 2016 |
|-------------------------------|--------------------------|-----------------------|----------------------|
| Gross Loans | \$ 225,465 | \$ 239,810 | \$ 232,372 |
| Allowance for Loan Losses | 3,235 | 3,235 | 3,335 |
| Net Loans | 222,230 | 236,575 | 229,037 |
| Total Assets | 345,747 | 363,488 | 356,841 |
| Total Deposits | 262,433 | 259,222 | 265,908 |
| Shareholders' Equity | 52,303 | 53,140 | 55,355 |

| <i>(Dollars in thousands, except per share amounts)</i> | Three Month Period Ending | | Six Month Period Ending | |
|---|----------------------------------|----------------------|--------------------------------|----------------------|
| | March 31, 2016 | June 30, 2016 | June 30, 2015 | June 30, 2016 |
| Interest Income | \$ 4,662 | \$ 5,888 | \$ 10,911 | \$ 10,550 |
| Interest Expense | 362 | 363 | 655 | 725 |
| Net Interest Income | 4,300 | 5,525 | 10,256 | 9,825 |
| Provision for Loan Losses | - | 100 | -- | 100 |
| Noninterest Income | 292 | 229 | 494 | 521 |
| Noninterest Expense | 2,995 | 3,732 | 6,231 | 6,727 |
| Pretax Income | 1,597 | 1,922 | 4,519 | 3,519 |
| Provision for Income Taxes | 646 | 791 | 1,867 | 1,437 |
| Net Income | 951 | 1,131 | 2,652 | 2,082 |
| Return on Average Assets | 1.07% | 1.26% | 1.57% | 1.17% |
| Return on Average Equity | 7.22% | 8.34% | 10.62% | 7.77% |
| Efficiency Ratio | 65.22% | 64.86% | 57.96% | 65.02% |
| EPS Basic | \$ 0.17 | \$ 0.20 | \$ 0.46 | \$ 0.37 |
| EPS Diluted | \$ 0.16 | \$ 0.19 | \$ 0.45 | \$ 0.36 |
| Book Value Per Common Share | \$ 9.41 | \$ 9.55 | \$ 8.82 | \$ 9.55 |

Forward-Looking Statements

This press release may contain forward-looking statements about AltaPacific Bancorp and its subsidiaries, including descriptions of plans or objectives of its management for future operations, products or services, and forecasts of its revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may." Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors — many of which are beyond AltaPacific's control — 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.