



PRESS RELEASE

For Immediate Release
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April 25, 2017

AltaPacific Bancorp Reports Earnings for First Quarter 2017

SANTA ROSA, Calif. – (BUSINESS WIRE) – April 25, 2017 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported net income for the first quarter of 2017 totaling \$567,000 or \$0.10 per diluted share.

Assets for the Company totaled \$402,106,000 at March 31, 2017, representing an increase of \$38.6 million (10.6%) over March 31, 2016 and an increase of \$50.7 million (14.4%) over December 31, 2016. At March 31, 2017, gross loans totaled \$264,832,000 representing an increase of \$25.0 million (10.4%) over March 31, 2016 and an increase of \$31.7 million (13.6%) over December 31, 2016. Deposits totaled \$309,660,000 at March 31, 2017, representing an increase of \$50.4 million (19.5%) over March 31, 2016 and a \$33.0 million (11.9%) increase over December 31, 2016. At March 31, 2017, the Allowance for Loan and Lease Losses totaled \$3,386,000, representing 1.5% of Gross Loans originated, nonaccrual loans totaled \$881,000 and no loans were past due in excess of 30 days and still accruing interest.

“The earnings for the first quarter of 2017 were negatively impacted by two key factors when comparing the results to the same period last year,” reported Allen Christenson, Chief Financial Officer. “Salaries and employee benefits increased \$334,000 over the same period last year, principally as a result of the addition of the Riverside Branch which was established in February, 2016, and the addition of personnel who will operate the newly planned San Bernardino Branch which is scheduled to open in June, 2017. The professional staff for the San Bernardino Branch are temporarily operating out of our Riverside location while they await the completion of construction. In addition, earnings in the first quarter of 2017 were negatively impacted by expenses associated with the planned merger with Commerce Bank of Temecula Valley (“Commerce Bank”). On April 17, 2017, AltaPacific announced the termination of the merger agreement with Commerce Bank as their shareholders did not approve the Agreement and Plan of Reorganization and Merger, dated as of September 1, 2016 (the “Merger Agreement”). Subsequent to that announcement and in accordance with the terms of the Merger Agreement, Commerce Bank paid AltaPacific a \$200,000 termination fee.”

“We are quite pleased with the double digit growth in the bank’s core operations during this past year. However, with regard to our merger and acquisition efforts, all of us at AltaPacific are certainly disappointed that Commerce Bank’s shareholders did not approve this merger,” reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, “Recently we were informed of the passing of a valuable member of our management team. On the evening of March 20th, Keith Johnson, Senior Vice President and Temecula Regional Manager passed away unexpectedly. Keith was a key figure in the integration of Mission Oaks National Bank into AltaPacific following that merger in 2014. It has been a tragic loss and his presence will certainly will be missed. We wish the best for his dear wife and family.”

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, Ontario, 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 March 31, 2017

<i>(Dollars in thousands)</i>	March 31, 2016	December 31, 2016	March 31, 2017
Gross Loans	\$ 239,810	\$ 233,099	\$ 264,832
Allowance for Loan Losses	3,235	3,336	3,386
Net Loans	236,575	229,763	261,446
Total Assets	363,488	351,389	402,106
Total Deposits	259,222	276,706	309,660
Shareholders' Equity	53,140	57,165	57,794

<i>(Dollars in thousands, except per share amounts)</i>	Three Month Period Ended		
	March 31, 2016	December 31, 2016	March 31, 2017
Interest Income	\$ 4,662	\$ 4,786	\$ 4,540
Interest Expense	362	367	399
Net Interest Income	4,300	4,419	4,141
Provision for Loan Losses	-	--	50
Noninterest Income	292	232	231
Noninterest Expense	2,995	2,843	3,321
Pretax Income	1,597	1,808	1,001
Income Tax Expense	646	790	434
Net Income	951	1,018	567
Return on Average Assets	1.07%	1.07%	0.59%
Return on Average Equity	7.22%	7.12%	3.94%
Efficiency Ratio	65.22%	61.13%	75.96%
EPS Basic	\$ 0.16	\$ 0.17	\$ 0.10
EPS Diluted	\$ 0.15	\$ 0.17	\$ 0.10
Book Value Per Common Share	\$ 8.96	\$ 9.71	\$ 9.81

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.