



## PRESS RELEASE

For Immediate Release  
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### **AltaPacific Bancorp Reports Earnings for Third Quarter 2016**

SANTA ROSA, Calif. – (BUSINESS WIRE) – October 21, 2016 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,357,000, or \$0.57 per diluted share, and quarterly net income totaling \$1,275,000, or \$0.21 per diluted share, for the period ending September 30, 2016, respectively.

Assets for the Company totaled \$384,110,000 at September 30, 2016, representing an increase of \$27.3 million (7.6%) over June 30, 2016 and an increase of \$38.4 million (11.1%) over December 31, 2015. At September 30, 2016, gross loans totaled \$239,250,000 representing an increase of \$6.9 million (3.0%) over June 30, 2016 and an increase of \$13.8 million (6.1%) over December 31, 2015. Deposits totaled \$295,675,000 at September 30, 2016, representing an increase of \$29.8 million (11.2%) over June 30, 2016 and an increase of \$33.2 million (12.7%) over December 31, 2015.

At September 30, 2016 the Allowance for Loan and Lease Losses totaled \$3,336,000, representing 1.6% 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 September 30, 2016. In addition, at September 30, 2016 nonaccrual loans totaled \$239,000 and there were no other loans past due in excess of 30 days.

In August, 2016, the Company's Board of Directors authorized an extension of the share repurchase program for an additional \$1.5 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 merger with Commerce Bank of Temecula Valley continues to progress and we believe their shareholders will be holding a special meeting during the first quarter of next year to vote on the transaction,” reported Charles O. Hall, President and Chief Executive Officer. Continuing, Mr. Hall stated, “2016 looks to be an excellent year for us. We have experienced solid earnings, we are seeing year-to-date growth in loans and deposits and our new branch in Riverside is performing well.”

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](http://www.apbconnect.com).

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

<i>(Dollars in thousands)</i>	<b>December 31, 2015</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>
Gross Loans	\$ 225,465	\$ 232,372	\$ 239,250
Allowance for Loan Losses	3,235	3,335	3,336
Net Loans	222,230	229,037	235,914
Total Assets	345,747	356,841	384,110
Total Deposits	262,433	265,908	295,675
Shareholders' Equity	52,303	55,355	57,292

<i>(Dollars in thousands, except per share amounts)</i>	<b>Three Month Period Ending</b>		<b>Nine Month Period Ending</b>	
	<b>June 30, 2016</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>	<b>September 30, 2016</b>
Interest Income	\$ 5,888	\$ 4,766	\$ 15,973	\$ 15,316
Interest Expense	363	364	988	1,089
Net Interest Income	5,525	4,402	14,985	14,227
Provision for Loan Losses	100	--	205	100
Noninterest Income	229	213	744	734
Noninterest Expense	3,732	2,516	8,837	9,243
Pretax Income	1,922	2,099	6,687	5,618
Provision for Income Taxes	791	824	2,760	2,261
Net Income	1,131	1,275	3,927	3,357
Return on Average Assets	1.26%	1.38%	1.54%	1.23%
Return on Average Equity	8.34%	9.06%	10.41%	8.24%
Efficiency Ratio	64.86%	54.52%	56.18%	61.68%
EPS Basic	\$ 0.20	\$ 0.22	\$ 0.68	\$ 0.58
EPS Diluted	\$ 0.19	\$ 0.21	\$ 0.66	\$ 0.57
Book Value Per Common Share	\$ 9.55	\$ 9.61	\$ 9.03	\$ 9.61

#### *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.*