



## **PRESS RELEASE**

For Immediate Release

September 1, 2016

Contact Person:

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### **ALTAPACIFIC BANCORP AND COMMERCE BANK OF TEMECULA VALLEY SIGN DEFINITIVE AGREEMENT TO MERGE**

SANTA ROSA and MURRIETA, Calif. – (BUSINESS WIRE) – September 1, 2016 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, and Commerce Bank of Temecula Valley (OTCBB: CKTM) announced the signing of a definitive agreement to merge. Under the terms of the agreement, AltaPacific Bancorp (“Alta Pacific”) will acquire Commerce Bank of Temecula Valley (“Commerce Bank”) for approximately \$15.9 million in cash and stock. At closing, the combined company will have approximately \$430 million in assets.

AltaPacific will acquire 100% of the outstanding shares of Commerce Bank in exchange for a mixture of cash and common shares of AltaPacific. Under the terms of the agreement, shareholders of Commerce Bank will be entitled to receive either 1.1377 shares of AltaPacific common stock or \$10.00 in cash for each common share of Commerce Bank, or a combination of both, subject to proration and allocation to ensure that 50% of outstanding Commerce Bank shares are exchanged for shares of AltaPacific common stock and 50% are exchanged for cash. The transaction, which has been approved by the board of directors of both AltaPacific and Commerce Bank, is expected to close in the fourth quarter of 2016, or the first quarter of 2017, pending receipt of regulatory approvals, the approval of the shareholders of Commerce Bank and other customary closing conditions.

AltaPacific Bank is headquartered in Santa Rosa, Calif., and operates branch locations in Northern and Southern Calif., including a branch location in Temecula, Calif. Commerce Bank of Temecula Valley is headquartered in Murrieta, Calif., and operates its branch in that community. At the completion of the merger, the Commerce Bank of Temecula Valley branch will be operated as a branch of AltaPacific Bank.

“The merger with Commerce Bank of Temecula Valley provides a tremendous opportunity to build on the successes each company has achieved,” stated Charles O. Hall, President and Chief Executive Officer of AltaPacific Bancorp. “Both organizations share a commitment to serving our local communities with quality private and business banking products and delivering a high level of personal service.”

Donald W. Murray, Commerce Bank of Temecula Valley Board Chairman, President and Chief Executive Officer stated, “This is a great opportunity for all of our shareholders, customers and employees. AltaPacific has a long history of building solid relationships with businesses in the communities they serve. The combination certainly provides additional resources to our customers and new opportunities for our employees. I look forward to this exciting opportunity for our combined customers, employees and shareholders.”

AltaPacific Bancorp is being advised in this merger transaction by the law firm of King, Holmes, Paterno & Soriano, LLP. Commerce Bank of Temecula Valley is being advised by Loren P. Hansen, Esq. of the law firm of Loren P. Hansen, APC, 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).

Commerce Bank of Temecula Valley is an independent community bank headquartered in Murrieta, Calif. and was organized in 2007. More information about Commerce Bank of Temecula Valley may be obtained at [www.commercebanktv.com](http://www.commercebanktv.com).

### **Forward-Looking Information**

This press release includes certain forward-looking statements about AltaPacific Bancorp, AltaPacific Bank, Commerce Bank of Temecula Valley 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 the control of AltaPacific Bancorp, AltaPacific Bank and Commerce Bank of Temecula Valley. 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 Commerce Bank of Temecula Valley's banking business into AltaPacific Bank's banking business could cost more, take longer or be less successful than expected; unfavorable economic conditions generally and, more particularly, in 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 Commerce Bank of Temecula Valley. In connection with the proposed transaction between Commerce Bank of Temecula Valley and AltaPacific Bancorp, Commerce Bank of Temecula Valley will be preparing a proxy statement with regards to the proposed merger. That proxy statement will be made available to the shareholders of Commerce Bank of Temecula Valley, 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 Commerce Bank of Temecula Valley 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 Commerce Bank of Temecula Valley, upon written request to Commerce Bank of Temecula Valley, 25220 Hancock Ave., Suite 140, Murrieta, CA 92562; Attention: Mr. Donald Murray, or by calling Mr. Murray at (951) 973-7400.