



PRESS RELEASE

For Immediate Release
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October 17, 2017

AltaPacific Bancorp Reports Earnings for Third Quarter 2017

SANTA ROSA, Calif. – (BUSINESS WIRE) – October 17, 2017 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,380,000, or \$0.54 per diluted share, and quarterly net income totaling \$875,000, or \$0.13 per diluted share, for the period ending September 30, 2017, respectively.

Assets for the Company totaled \$423,544,000 at September 30, 2017, representing an increase of \$0.6 million (0.1%) over June 30, 2017 and an increase of \$72.2 million (20.5%) over December 31, 2016. At September 30, 2017, gross loans totaled \$268,901,000 representing an increase of \$5.6 million (2.1%) over June 30, 2017 and an increase of \$35.8 million (15.4%) over December 31, 2016. Deposits totaled \$340,562,000 at September 30, 2017, representing an increase of \$11.2 million (3.4%) over June 30, 2017 and an increase of \$63.9 million (23.1%) over December 31, 2016. As a result of increased deposits, the Company reduced borrowings with the FHLB by \$10.0 million during the quarter ended September 30, 2017.

At September 30, 2017 the Allowance for Loan and Lease Losses totaled \$3,486,000, representing 1.5% of gross loans originated. In addition, at September 30, 2017 nonaccrual loans totaled \$88,000 and there were no other loans past due in excess of 30 days.

“Our hearts go out to all who have lost so much as a result of recent fires in Sonoma County and surrounding areas,” reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, “We are quite fortunate that the bank did not experience any major damage. However, these fires have touched the lives of all of us as losses have been experienced by employees and their families as well as customers and other dear friends of AltaPacific. While the long-term effects are unknown, we do not believe the fires will have any negative impact on the bank’s financial performance. In fact, we look forward to helping business owners in Sonoma County rebuild and strengthen the local economy.” In closing, Mr. Hall stated, “I am pleased to report that the bank continues to experience solid growth, particularly with the newest branches in Riverside and San Bernardino.”

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, San Bernardino 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 September 30, 2017:

<i>(Dollars in thousands)</i>	December 31, 2016	June 30, 2017	September 30, 2017
Gross Loans	\$ 233,099	\$ 263,349	\$ 268,901
Allowance for Loan Losses	3,336	3,486	3,486
Net Loans	229,763	259,863	265,415
Total Assets	351,389	422,968	423,544
Total Deposits	276,706	329,395	340,562
Shareholders' Equity	57,165	58,819	58,961

<i>(Dollars in thousands, except per share amounts)</i>	Three Month Period Ending		Nine Month Period Ending	
	June 30, 2017	September 30, 2017	September 30, 2016	September 30, 2017
Interest Income	\$ 4,917	\$ 4,939	\$ 15,316	\$ 14,396
Interest Expense	442	444	1,089	1,285
Net Interest Income	4,475	4,495	14,227	13,111
Provision for Loan Losses	100	-	100	150
Noninterest Income	1,490	160	734	1,881
Noninterest Expense	3,769	3,200	9,243	10,290
Pretax Income	2,096	1,455	5,618	4,552
Provision for Income Taxes	158	580	2,261	1,172
Net Income	1,938	875	3,357	3,380
Return on Average Assets	1.89%	0.83%	1.23%	1.11%
Return on Average Equity	13.30%	5.93%	8.24%	7.74%
Efficiency Ratio	63.19%	68.74%	61.68%	68.64%
EPS Basic	\$ 0.32	\$ 0.14	\$ 0.55	\$ 0.55
EPS Diluted	\$ 0.31	\$ 0.13	\$ 0.54	\$ 0.54
Book Value Per Common Share	\$ 9.65	\$ 9.78	\$ 9.15	\$ 9.78

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.