



PRESS RELEASE

For Immediate Release
Contact Person:
Charles O. Hall
Chief Executive Officer
(707) 236-1500

October 22, 2018

AltaPacific Bancorp Reports Earnings for Third Quarter 2018

SANTA ROSA, Calif. – (BUSINESS WIRE) – October 22, 2018 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,797,000, or \$0.63 per diluted share, and quarterly net income totaling \$1,387,000, or \$0.23 per diluted share, for the period ending September 30, 2018, respectively.

Assets for the Company totaled \$431,106,000 at September 30, 2018, representing a decrease of \$3.1 million (0.7%) over June 30, 2018 and an increase of \$12.5 million (3.0%) over December 31, 2017. At September 30, 2018, gross loans totaled \$322,313,000 representing a decrease of \$6.0 million (1.8%) over June 30, 2018 and an increase of \$26.6 million (9.0%) over December 31, 2017. Deposits totaled \$339,573,000 at September 30, 2018, representing an increase of \$1.4 million (0.4%) over June 30, 2018 and an increase of \$4.4 million (1.3%) over December 31, 2017. At September 30, 2018 the Allowance for Loan and Lease Losses totaled \$4,126,000, representing 1.45% of gross loans originated. In addition, at September 30, 2018 nonaccrual loans totaled \$44,000 and there were no other loans past due in excess of 30 days.

The Company's Share Repurchase Program resulted in the repurchase of 244,000 shares of Company stock at a total cost of approximately \$3.9 million, or \$16.11 per share, during the three-month period ending September 30, 2018. During the nine-month period ending September 30, 2018, the Company repurchased approximately 550,000 shares of Company stock at a total cost of approximately \$8.2 million, or \$14.91 per share. As of September 30, 2018, there were 5,698,103 shares of AltaPacific Bancorp stock issued and outstanding.

"We continue to expand our market presence, particularly among our newest branches in Southern California," reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, "Our two newest branches – Riverside and San Bernardino – have experienced a 29% increase in loans and a 19% increase in deposits during the first nine months of this year."

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, 2018:

<i>(Dollars in thousands)</i>	December 31, 2017	June 30, 2018	September 30, 2018
Gross Loans	\$ 295,684	\$ 328,319	\$ 322,313
Allowance for Loan Losses	3,686	4,126	4,126
Net Loans	291,998	324,193	318,187
Total Assets	418,634	434,211	431,106
Total Deposits	335,147	338,189	339,573
Shareholders' Equity	58,028	56,043	53,530

<i>(Dollars in thousands, except per share data)</i>	Three Month Period Ending		Nine Month Period Ending	
	June 30, 2018	September 30, 2018	September 30, 2017	September 30, 2018
Interest Income	\$ 5,780	\$ 5,458	\$ 14,396	\$ 16,099
Interest Expense	530	534	1,285	1,493
Net Interest Income	5,250	4,924	13,111	14,606
Provision for Loan Losses	300	-	150	440
Noninterest Income	174	210	1,881	963
Noninterest Expense	3,200	3,183	10,290	9,788
Pretax Income	1,924	1,951	4,552	5,341
Provision for Income Taxes	563	564	1,172	1,544
Net Income	1,361	1,387	3,380	3,797
Return on Average Assets	1.35%	1.38%	1.11%	1.26%
Return on Average Equity	9.53%	9.71%	7.74%	8.86%
Efficiency Ratio	59.00%	62.00%	68.64%	62.87%
EPS Basic	\$ 0.23	\$ 0.24	\$ 0.53	\$ 0.64
EPS Diluted	\$ 0.22	\$ 0.23	\$ 0.52	\$ 0.63
Book Value Per Common Share	\$ 9.44	\$ 9.39	\$ 9.32	\$ 9.39
Common Shares Outstanding	5,936,160	5,698,103	6,328,352	5,698,103
Weighted Average Shares - Basic	6,032,791	5,785,838	6,435,560	5,949,569
Weighted Average Shares - Diluted	6,144,373	5,932,218	6,489,918	6,073,999

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.