



## PRESS RELEASE

For Immediate Release  
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### **AltaPacific Bancorp Announces 2016 Year End Performance Results**

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 24, 2017 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$4,375,000, or \$0.74 per diluted share, and quarterly net income totaling \$1,018,000, or \$0.17 per diluted share, for the period ending December 31, 2016, respectively.

Assets totaled \$351,389,000 at December 31, 2016, representing a decrease of \$32.7 million (8.5%) over September 30, 2016 and an increase of \$5.6 million (1.6%) over December 31, 2015. At December 31, 2016, gross loans totaled \$233,099,000 representing a decrease of \$6.2 million (2.6%) over September 30, 2016 and an increase of \$7.6 million (3.4%) over December 31, 2015. Deposits totaled \$276,706,000 at December 31, 2016 representing a decrease of \$19.0 million (6.4%) over September 30, 2016 and an increase of \$14.3 million (5.4%) over December 31, 2015. During 2016, the Company reduced its reliance on wholesale funded Certificates of Deposit by \$7.2 million (24.2%) while at the same time increasing core deposits by \$21.5 million (9.2%). Additionally, during the fourth quarter of 2016, the Company reduced borrowings with the Federal Home Loan Bank of San Francisco by \$15.0 million (75%).

At December 31, 2016, the Allowance for Loan and Lease Losses totaled \$3,336,000, representing 1.7% of Gross Loans originated. At December 31, 2016, loans past due 30-89 days totaled \$663,000 and nonaccrual loans totaled \$229,000.

The Company's Share Repurchase Program, which was adopted in 2012, has resulted in the repurchase and retirement of 775,733 shares of company stock at an average cost of \$9.43. During 2016, the Company repurchased and retired 161,513 shares at an average cost of \$9.54.

“This past year was a wonderful celebration of the bank’s 10<sup>th</sup> anniversary. Much has been achieved during our relatively short history. The events of this past year have kept us focused on increasing core growth while continuing our pursuit for appropriate merger and acquisition candidates,” reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, “Our Riverside Branch, which was opened in the first quarter of 2016, is experiencing excellent growth. We are also in the process of establishing a new full service branch in San Bernardino. We were fortunate to hire a team of seasoned business professionals who are from the area and they are temporarily working out of our Riverside location. Furthermore, we continue to move forward with the Commerce Bank of Temecula Valley merger and hope their shareholders will meet during the first quarter of 2017 to vote on the transaction.”

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 December 31, 2016:

<i>(Dollars in thousands)</i>	<b>December 31, 2015</b>	<b>September 30, 2016</b>	<b>December 31, 2016</b>
Gross Loans	\$ 225,465	\$ 239,250	\$ 233,099
Allowance for Loan Losses	3,235	3,336	3,336
Net Loans	222,230	235,914	229,763
Total Assets	345,747	384,110	351,389
Total Deposits	262,433	295,675	276,706
Shareholders' Equity	52,303	57,292	57,165

<i>(Dollars in thousands, except per share amounts)</i>	<b>Three Month Period Ending</b>		<b>Year-to-Date</b>	
	<b>September 30, 2016</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2016</b>
Interest Income	\$ 4,766	\$ 4,786	\$ 20,607	\$ 20,102
Interest Expense	364	367	1,330	1,456
Net Interest Income	4,402	4,419	19,277	18,646
Provision for Loan Losses	--	--	390	100
Noninterest Income	213	232	1,129	966
Noninterest Expense	2,516	2,843	11,218	12,086
Pretax Income	2,099	1,808	8,798	7,426
Provision for Income Taxes	824	790	3,527	3,051
Net Income	1,275	1,018	5,271	4,375
Return on Average Assets	1.38%	1.07%	1.53%	1.19%
Return on Average Equity	9.06%	7.12%	10.38%	7.95%
Efficiency Ratio	54.52%	61.13%	54.97%	61.63%
EPS Basic	\$ 0.22	\$ 0.17	\$ 0.91	\$ 0.76
EPS Diluted	\$ 0.21	\$ 0.17	\$ 0.89	\$ 0.74
Book Value Per Common Share	\$ 9.61	\$ 9.71	\$ 9.23	\$ 9.71

*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.*