



## PRESS RELEASE

For Immediate Release

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### **AltaPacific Bancorp Reports Earnings for Third Quarter 2015**

SANTA ROSA, Calif. – (BUSINESS WIRE) – October 22, 2015 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,927,000, or \$0.69 per diluted share, and quarterly net income totaling \$1,275,000, or \$0.23 per diluted share, for the period ending September 30, 2015, respectively.

Assets for the Company totaled \$344,908,000 at September 30, 2015, representing an increase of \$9.6 million (2.8%) over June 30, 2015 and an increase of \$4.2 million (1.2%) over December 31, 2014. At September 30, 2015, gross loans totaled \$225,458,000 representing an increase of \$21.3 million (10.4%) over June 30, 2015 and an increase of \$177,000 (0.1%) over December 31, 2014. Deposits totaled \$252,535,000 at September 30, 2015, representing an increase of \$8.4 million (3.5%) over June 30, 2015 and a decrease of \$10.0 million (3.8%) over December 31, 2014. During the three and nine month periods ending September 30, 2015, the Company reduced wholesale funded certificates of deposit by \$2.2 million and \$27.5 million, respectively.

At September 30, 2015, the Allowance for Loan and Lease Losses totaled \$2,994,000, representing 1.7% 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, 2015. For the nine month period ending September 30, 2015, the Company's recoveries, net of charged-off loans totaled \$43,000 and the Provision for Loan Losses totaled \$205,000.

The Company's Share Repurchase Program, which was adopted in 2012, has resulted in the repurchase and retirement of 614,220 shares of Company stock at an average cost of \$9.40. During 2015, the Company repurchased and retired 160,375 shares at an average cost of \$10.10. The purchases are generally effected through open market purchases, although the Company does not rule out the possibility of unsolicited negotiated transactions or other types of repurchases. The timing, manner, price and amount of any repurchase will be determined by the Company in its discretion and are subject to economic and market conditions, stock price, applicable legal requirements and other factors. The program may be suspended or discontinued at any time without prior notice.

"The earnings for the Company are a true indicator of the success we have experienced in all of our operating areas," reported Charles O. Hall, President and Chief Executive Officer. Continuing, Mr. Hall stated, "We have been quite successful in seeking out new opportunities for organic growth and expansion while continuing to look for appropriate merger and acquisition candidates."

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 offices in Santa Rosa, Rancho Cucamonga, Covina and Temecula, California. The bank is focused on meeting the specialized needs of small to medium-sized businesses and professionals throughout California. The U.S. Small Business Administration has approved the bank as a PLP lender (Preferred Lender Program). PLP status is the highest lending designation granted by the SBA and it is only granted to its most experienced lenders. 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, 2015:

<i>(Dollars in thousands)</i>	<b>December 31, 2014</b>	<b>June 30, 2015</b>	<b>September 30, 2015</b>
Gross Loans	\$ 225,281	\$ 204,147	\$ 225,458
Allowance for Loan Losses	2,746	2,776	2,994
Net Loans	222,534	201,371	222,464
Total Assets	340,672	335,355	344,908
Total Deposits	262,511	244,110	252,535
Shareholders' Equity	48,841	50,909	51,156

<i>(Dollars in thousands, except per share amounts)</i>	<b>Three Month Period Ending</b>		<b>Nine Month Period Ending</b>	
	<b>June 30, 2015</b>	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2015</b>
Interest Income	\$ 5,547	\$ 5,062	\$ 11,999	\$ 15,973
Interest Expense	324	333	882	988
Net Interest Income	5,223	4,729	11,117	14,985
Provision for Loan Losses	--	205	195	205
Noninterest Income	201	250	915	744
Noninterest Expense	3,195	2,606	8,390	8,837
Pretax Income	2,229	2,168	3,447	6,687
Provision for Income Taxes	928	893	1,442	2,760
Net Income	1,301	1,275	2,005	3,927
Return on Average Assets	1.55%	1.50%	0.85%	1.54%
Return on Average Equity	10.31%	9.99%	5.54%	10.41%
Efficiency Ratio	58.90%	52.34%	69.73%	56.18%
EPS Basic	\$ 0.24	\$ 0.23	\$ 0.34	\$ 0.71
EPS Diluted	\$ 0.23	\$ 0.23	\$ 0.34	\$ 0.69
Book Value Per Common Share	\$ 9.26	\$ 9.48	\$ 8.54	\$ 9.48

#### *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.*