



PRESS RELEASE

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

January 17, 2019

AltaPacific Bancorp Announces 2018 Year End Performance Results and Declares 5% Stock Dividend

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 17, 2019 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$5,202,000, or \$0.87 per diluted share, and quarterly net income totaling \$1,405,000, or \$0.24 per diluted share, for the period ending December 31, 2018, respectively. The year-to-date net income for 2018 represents an increase of \$1.2 million (30.9%) over the prior year and the quarterly net income represents an increase of \$18,000 (1.3%) over the prior quarter. The Company also reported that the Board of Directors recently approved the payment of a 5% stock dividend per common share payable on February 22, 2019 to shareholders of record as of February 8, 2019.

Assets totaled \$414,591,000 at December 31, 2018, representing a decrease of \$4.0 million (1.0%) over December 31, 2017, while average assets during the year increased \$13.8 million (3.4%) when compared to 2017. At December 31, 2018, gross loans totaled \$328,278,000 representing an increase of \$32.6 million (11.0%) over December 31, 2017, while average gross loans during the year increased \$54.5 million (20.6%) when compared to 2017. Deposits totaled \$322,922,000 at December 31, 2018 representing a decrease of \$12.2 million (3.6%) over December 31, 2017, which included a decrease of \$5.3 million in brokered certificates of deposit. Average deposits during 2018 increased \$17.3 million (5.4%) during the year when compared 2017, which included a decrease of \$3.4 million (42.2%) in average brokered certificates of deposit.

At December 31, 2018, the Allowance for Loan and Lease Losses totaled \$4,126,000, representing 1.4% of Gross Loans originated. At December 31, 2018, nonaccrual loans totaled \$39,000 and there were no other loans past due in excess of 30 days.

The Company's Share Repurchase Program, which was adopted in 2012, has resulted in the repurchase and retirement of 1,650,650 shares of company stock at an average cost of \$11.74. During 2018, the Company repurchased and retired 608,209 shares at an average cost of \$14.81.

"The Company experienced solid loan growth last year," reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, "We have also been very pleased with the overall growth at our two newest branches, which are located in Riverside and San Bernardino. On a combined basis, during 2018 these two branches experienced loan growth in excess of 50% and deposit growth of 29%. Furthermore, in December 2018 we relocated our Covina Branch to Glendora. This relocation definitely improves our ability to serve customers in the San Gabriel Valley and surrounding areas."

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 Glendora, 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 December 31, 2018:

<i>(Dollars in thousands)</i>	December 31, 2017	September 30, 2018	December 31, 2018
Gross Loans	\$ 295,684	\$ 322,313	\$ 328,278
Allowance for Loan Losses	3,686	4,126	4,126
Net Loans	291,998	318,187	324,152
Total Assets	418,634	431,106	414,591
Total Deposits	335,147	339,573	322,922
Shareholders' Equity	58,028	53,530	54,294

<i>(Dollars in thousands, except per share amounts)</i>	Three Month Period Ending		Year-to-Date	
	September 30, 2018	December 31, 2018	December 31, 2017	December 31, 2018
Interest Income	\$ 5,458	\$ 5,384	\$ 20,227	\$ 21,483
Interest Expense	534	544	1,736	2,037
Net Interest Income	4,924	4,840	18,491	19,446
Provision for Loan Losses	-	-	350	440
Noninterest Income	210	317	2,027	1,280
Noninterest Expense	3,183	3,209	13,791	12,997
Pretax Income	1,951	1,948	6,377	7,289
Provision for Income Taxes	564	543	2,404	2,087
Net Income	1,387	1,405	3,973	5,202
Return on Average Assets	1.38%	1.30%	0.97%	1.23%
Return on Average Equity	9.71%	10.40%	6.81%	9.38%
Efficiency Ratio	62.00%	62.23%	67.21%	62.71%
EPS Basic	\$ 0.24	\$ 0.25	\$ 0.62	\$ 0.88
EPS Diluted	\$ 0.23	\$ 0.24	\$ 0.62	\$ 0.87
Book Value Per Common Share	\$ 9.39	\$ 9.63	\$ 9.34	\$ 9.63
Common Shares Outstanding	5,698,103	5,639,403	6,207,596	5,639,403
Weighted Average Shares - Basic	5,785,838	5,696,853	6,391,713	5,884,215
Weighted Average Shares - Diluted	5,932,218	5,811,841	6,448,431	6,005,849

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.