



## PRESS RELEASE

For Immediate Release  
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January 19, 2018

### **AltaPacific Bancorp Announces 2017 Year End Performance Results and Declares 5% Stock Dividend**

SANTA ROSA, Calif. – (BUSINESS WIRE) – January 19, 2018 - AltaPacific Bancorp (OTCBB: ABNK), the parent company of AltaPacific Bank, today reported year-to-date net income totaling \$3,973,000, or \$0.65 per diluted share, and quarterly net income totaling \$593,000, or \$0.10 per diluted share, for the period ending December 31, 2017, respectively. The Company also reported that the Board of Directors recently approved the payment of a 5% stock dividend per common share payable on February 23, 2018 to shareholders of record as of February 9, 2018.

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law. Among other changes is a permanent reduction in the federal corporate income tax rate from 35% to 21% effective January 1, 2018. As a result of the reduction in the corporate income tax rate, the Company revalued its net deferred tax asset as of December 31, 2017. This resulted in a reduction in the value of our net deferred tax asset of \$762,000 or \$0.13 per diluted share, which was recorded as additional income tax expense for the fourth quarter of 2017.

Assets totaled \$418,634,000 at December 31, 2017, representing a decrease of \$4.9 million (1.2%) over September 30, 2017 and an increase of \$67.2 million (19.1%) over December 31, 2016. At December 31, 2017, gross loans totaled \$295,684,000 representing an increase of \$26.8 million (10.0%) over September 30, 2017 and an increase of \$62.6 million (26.8%) over December 31, 2016. Deposits totaled \$335,147,000 at December 31, 2017 representing a decrease of \$5.4 million (1.6%) over September 30, 2017 and an increase of \$58.4 million (21.1%) over December 31, 2016.

At December 31, 2017, the Allowance for Loan and Lease Losses totaled \$3,686,000, representing 1.5% of Gross Loans originated. At December 31, 2017, nonaccrual loans totaled \$46,000 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 1,042,141 shares of company stock at an average cost of \$9.95. During 2017, the Company repurchased and retired 266,708 shares at an average cost of \$11.45.

"AltaPacific Bank experienced loan and deposit growth in excess of 20% this past year. The growth is directly attributable to the tremendous effort put forth by our seasoned team of banking professionals," reported Charles O. Hall, Chief Executive Officer. Continuing, Mr. Hall stated, "It has been wonderful to achieve this level of core growth while at the same time maintaining our focus on finding appropriate 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 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](http://www.apbconnect.com).

The following is a summary of the Company's financial performance (unaudited) as of December 31, 2017:

<i>(Dollars in thousands)</i>	<b>December 31, 2016</b>	<b>September 30, 2017</b>	<b>December 31, 2017</b>
Gross Loans	\$ 233,099	\$ 268,901	\$ 295,684
Allowance for Loan Losses	3,336	3,486	3,686
Net Loans	229,763	265,415	291,998
Total Assets	351,389	423,544	418,634
Total Deposits	276,706	340,562	335,147
Shareholders' Equity	57,165	58,961	58,028

<i>(Dollars in thousands, except per share amounts)</i>	<b>Three Month Period Ending</b>		<b>Year-to-Date</b>	
	<b>September 30, 2017</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Interest Income	\$ 4,939	\$ 5,831	\$ 20,102	\$ 20,227
Interest Expense	444	451	1,456	1,736
Net Interest Income	4,495	5,380	18,646	18,491
Provision for Loan Losses	-	200	100	350
Noninterest Income	160	146	966	2,027
Noninterest Expense	3,200	3,501	12,086	13,791
Pretax Income	1,455	1,825	7,426	6,377
Provision for Income Taxes	580	1,232	3,051	2,404
Net Income	875	593	4,375	3,973
Return on Average Assets	0.83%	0.55%	1.19%	0.97%
Return on Average Equity	5.93%	4.04%	7.95%	6.81%
Efficiency Ratio	68.74%	63.36%	61.63%	67.21%
EPS Basic	\$ 0.14	\$ 0.10	\$ 0.72	\$ 0.65
EPS Diluted	\$ 0.13	\$ 0.10	\$ 0.70	\$ 0.65
Book Value Per Common Share	\$ 9.78	\$ 9.81	\$ 9.25	\$ 9.81

#### *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.*