

PRESIDENT'S STATEMENT



ASH PATEL
PRESIDENT & CEO

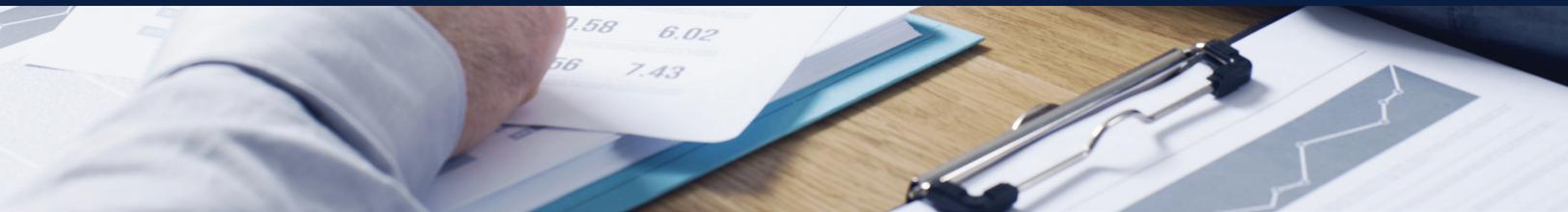
This year has been one of substantial growth for Commercial Bank of California. Since the close of 2017, CBC's total assets have grown approximately 5.5 percent, and net loans have increased by 6.6 percent. These favorable trends were evident in our operating performance in the third quarter of 2018. We recorded a sharp increase in profits, and growth in our assets, deposits, and net loans. Our achievements thus far in 2018 are providing a basis for future success.

While the growth in our balance sheet and profitability have been impressive, preserving our high credit quality remains an important objective. Non-performing loans net of federal guarantees totaled just \$4.0 million at the end of the third quarter, compared to reserves of \$10.0 million.

CBC's purpose-driven approach to banking, and our creation of innovative products and partnerships, are redefining the standards of what a bank can offer its clients. The recent appointment of our two new Market Presidents, Claudia Bodan and Michael Helmuth, underscores our drive to provide solutions to businesses in the region beyond the service offerings of a traditional bank. Moreover, thus far in 2018 the bank has hired more than 35 employees across Southern California to respond to the increasing demand for holistic banking services. Our message of "Our Solutions, Your Success" embodies our commitment to making a meaningful contribution to the success of our clients, and continues to resonate with clients and prospects alike. Our current performance trends and increasing acceptance in the marketplace bolster our confidence in the future of Commercial Bank of California.

ABOUT COMMERCIAL BANK OF CALIFORNIA

CBC is a full-service bank serving the business and professional communities of Los Angeles and Orange counties. Recognized as a BauerFinancial, Inc. "Five-Star Superior Bank" for its financial strength and stability, CBC provides the financial expertise of a major bank while maintaining a commitment to personalized service for every CBC client. More information about CBC's custom solutions for your business is available at www.cbcal.com.



FINANCIAL HIGHLIGHTS



Net income increased substantially for the quarter and by over 42% year-over-year



Total assets, total deposits, and net loans all increased from the prior year



Capital strength remains well in excess of all "Well Capitalized" standards

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein may constitute forward-looking statements. Although Commercial Bank of California believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from Commercial Bank of California's expectations include fluctuations in interest rates, inflation, government regulations, and economic conditions and competition in the geographic and business areas in which Commercial Bank of California conducts its operations.

STATEMENTS OF CONDITION (UNAUDITED)

(000s omitted)

ASSETS:	SEPT. 30, 2018	SEPT. 30, 2017
Cash and due from banks	\$32,221	\$24,681
Interest bearing deposits with banks	108,820	61,517
Cash and cash equivalents	141,041	86,198
Investment securities	91,807	96,405
Loans, net	642,482	581,231
Premises and equipment - net	3,454	2,543
Other real estate owned	-	-
Accrued interest receivable and other assets	37,993	34,141
Total assets	\$916,777	\$800,518
LIABILITIES AND CAPITAL:		
Non-interest bearing demand deposits	\$317,187	\$244,393
Interest bearing demand deposits	45,739	35,621
Savings and money market deposits	388,909	316,902
Time deposits	58,682	30,837
Total deposits	810,517	627,753
Federal Home Loan Bank advances	-	40,000
Accrued interest payable and other liabilities	11,950	43,008
Total liabilities	822,467	710,761
Stated capital	83,830	83,830
Retained earnings	12,281	6,083
Accumulated other comprehensive income (loss)	(1,801)	(156)
Total capital	94,310	89,757
Total liabilities and capital	\$916,777	\$800,518

STATEMENTS OF OPERATIONS (UNAUDITED)

(000s omitted)

	Nine Months Ended SEPT. 30, 2018	Nine Months Ended SEPT. 30, 2017
Interest on loans	\$26,092	\$21,060
Interest on deposits with banks	1,490	1,119
Interest on investment securities	1,527	1,283
Other interest income	34	191
Total interest income	29,143	23,653
Interest on deposits	2,735	1,762
Interest on FHLB advances	112	5
Total interest expense	2,847	1,767
Net interest income	26,296	21,886
Provision for loan losses	625	(1,873)
Net interest income after provision for loan losses	25,671	23,759
Other operating income	9,329	5,331
Salaries and related benefits	16,255	13,717
Occupancy expenses	2,849	3,203
Other expenses	7,311	5,928
Total other operating expenses	26,415	22,848
Income before provision for income taxes	8,585	6,242
Provision for income taxes	2,513	1,974
Net income	\$6,072	\$4,268