

2017

SECOND QUARTERLY REPORT

PRESIDENT'S STATEMENT

Commercial Bank of California's positive momentum increased in the second quarter of 2017, and our operating performance continues to strengthen.

We again registered substantial profits and growth in our assets, loans, and deposits.

Our continued emphasis on high credit quality resulted in non-performing loans totaling just \$5.2 million at June 30, 2017, compared to reserves of \$9.2 million. The Bank also had no Other Real Estate Owned (generally real estate acquired through foreclosure) as of June 30, 2017

Since our founding, our objective has been to build a quality institution like no other, with a commitment to top-quality, individualized service and the financial strength to make a real contribution to the success of our clients. That commitment, coupled with our focus on innovative technology and the creative expertise of the CBC team, has resulted in a powerful combination that is contributing to our growth in the marketplace. Moreover, we are achieving profitable growth without compromising our credit quality and lending standards. We believe that our current performance trends justify our confidence in the future.



Ash Patel
President & CEO



Net income increased substantially for the quarter and by 80.2% year-over-year



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



Capital position 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.

Financial results for prior periods have been adjusted to reflect the April 30, 2016 merger of Commercial Bank of California and National Bank of California.

STATEMENTS OF CONDITION (UNAUDITED)

(\$000s omitted)

June 30, 2017

June 30, 2016

ASSETS:

Cash and due from banks	\$13,794	\$39,230
Interest bearing deposits with banks	147,541	129,872
Cash and cash equivalents	161,335	169,102
Investment securities	95,614	65,830
Loans, net	535,951	510,696
Premises and equipment - net	2,575	2,222
Other real estate owned	0	782
Accrued interest receivable and other assets	30,867	29,342
Total assets	\$826,342	\$777,974

LIABILITIES AND CAPITAL:

Non-interest bearing demand deposits	\$319,388	\$290,312
Interest bearing demand deposits	31,223	29,395
Savings and money market deposits	351,593	294,935
Time deposits	28,224	48,158
Total deposits	730,428	662,800
Federal Home Loan Bank advances	0	30,000
Accrued interest payable and other liabilities	7,986	7,673
Total liabilities	738,414	700,473
Stated capital	83,831	76,830
Retained earnings	4,126	93
Accumulated other comprehensive income (loss)	-29	578
Total capital	87,928	77,501
Total liabilities and capital	\$826,342	\$777,974

STATEMENTS OF OPERATIONS (UNAUDITED)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
		(\$000's omitted)
Interest on loans	\$13,810	\$12,532
Interest on deposits with banks	739	334
Interest on investment securities	791	766
Other interest income	122	173
Total interest income	15,462	13,805
Interest on deposits	1,194	986
Interest on FHLB advances	1	63
Total interest expense	1,195	1,049
Net interest income	14,267	12,756
Provision for loan losses	0	-70
Net interest income after provision for loan losses	14,267	12,826
Other operating income	2,760	2,662
Salaries and related benefits	8,396	7,254
Occupancy expenses	1,902	1,833
Other expenses	3,863	4,339
Total other operating expenses	14,161	13,426
Income before provision for income taxes	2,866	2,062
Provision for income taxes	555	780
Net income	\$2,311	\$1,282