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Commercial Bank of California Announces Solid Financial Results for First Quarter of 2017

Highlights Include:

- *Quarterly net income again increased year-over-year*
- *Total assets, deposits and loans all increased from the prior year*
- *New capital further strengthened robust capital position*

IRVINE, CALIF. (May 2, 2017) – Commercial Bank of California (CBC), a BauerFinancial Five-Star Superior Bank, reported net income for the first quarter of 2017 of \$906.6 thousand. Net interest income for the quarter was \$6.7 million, which reflected growth in earning assets.

As of March 31, 2017, CBC's total assets were \$788.4 million. Compared to the levels of the prior year, total deposits rose to \$695.3 million, while net loans advanced to \$537.5 million. Total capital at March 31, 2017 totaled \$85.3 million.

Ash Patel, President and Chief Executive Officer, stated, "Commercial Bank of California is off to an excellent start in 2017, building on the achievements and momentum from last year. We continue to demonstrate strong performance, with solid growth in assets, deposits and loans and a substantial increase in profits.

"Of particular note, our growth in net loans was achieved without sacrificing credit quality. Non-performing assets net of federal guarantees totaled just \$4.1 million at March 31, 2017, compared to reserves of \$9.1 million, or 1.66% of total loans."

CBC's capital ratios continue to significantly exceed regulatory requirements, with Tier 1 Leverage, Tier 1 Risk-based Capital, and Total Risk-based Capital Ratios of 10.52%, 14.30%, and 15.55%, respectively, as of March 31, 2017.

"CBC's unique combination of financial strength, advanced technology and customized service is what is making us the bank of choice for Southern California businesses and professionals. Our team of experienced bankers continues to compete successfully for new business by providing the personalized, proactive and responsive service that has long been our hallmark," added Patel.

“The present operating environment for financial companies remains challenging. Numerous local and regional banks are either struggling or being sold. But with challenges come opportunities, and we see this as an opportunity for CBC to attract new customers who seek a business bank with a history of financial stability and the flexibility to provide custom business solutions. We remain committed to profitable growth without compromising our lending standards and credit quality, and believe that adhering to proven strategies will enhance our success now and in the years ahead,” concluded Patel.

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 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 customer. More information about CBC’s custom solutions for your business is available at www.cbcal.com.

STATEMENTS OF CONDITION (UNAUDITED)

(\$000s omitted)

March 31, 2017

ASSETS:

Cash and due from banks	18,428
Interest bearing deposits with banks	<u>128,649</u>
Cash and cash equivalents	147,077
Investment securities	71,049
Loans, net	537,460
Premises and equipment - net	2,391
Other real estate owned	460
Accrued interest receivable and other assets	<u>29,920</u>
Total assets	<u>788,357</u>

LIABILITIES AND CAPITAL:

Non-interest bearing demand deposits	285,389
Interest bearing demand deposits	23,815
Savings and money market deposits	352,171
Time deposits	<u>33,969</u>
Total deposits	695,344
Federal Home Loan Bank advances	0
Accrued interest payable and other liabilities	<u>7,757</u>
Total liabilities	703,101
Stated capital	82,830
Retained earnings	2,722
Accumulated other comprehensive income (loss)	<u>-296</u>
Total capital	<u>85,256</u>
Total liabilities and capital	<u>788,357</u>

STATEMENTS OF OPERATIONS (UNAUDITED)

<u>(\$000's omitted)</u>	Three Months Ended <u>March 31, 2017</u>
Interest on loans	6,586
Interest on deposits with banks	316
Interest on investment securities	372
Other interest income	<u>74</u>
Total interest income	7,348
Interest on deposits	601
Interest on FHLB advances	<u>0</u>
Total interest expense	<u>601</u>
Net interest income	6,747
Provision for loan losses	<u>0</u>
Net interest income after provision for loan losses	6,747
Other operating income	1,474
Salaries and related benefits	4,243
Occupancy expenses	954
Other expenses	<u>1,631</u>
Total other operating expenses	<u>6,828</u>
Income before provision for income taxes	1,393
Provision for income taxes	<u>486</u>
Net income	<u>907</u>

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.

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