

## STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Interest on loans	\$9,582	\$8,596
Interest on deposits with banks	814	262
Interest on investment securities	582	507
Other interest income	16	10
<b>Total interest income</b>	<b>10,994</b>	<b>9,375</b>
Interest on deposits	1,589	721
Interest on FHLB advances	-	85
<b>Total interest expense</b>	<b>1,589</b>	<b>806</b>
Net interest income	9,405	8,569
Provision for loan losses	-	-
<b>Net interest income after provision for loan losses</b>	<b>9,405</b>	<b>8,569</b>
Other operating income	2,641	2,926
Salaries and related benefits	6,243	5,392
Occupancy expenses	1,103	917
Other expenses	2,682	2,298
<b>Total other operating expenses</b>	<b>10,028</b>	<b>8,607</b>
Income before provision for income taxes	2,018	2,888
Provision for income taxes	622	833
<b>Net income</b>	<b>\$1,396</b>	<b>\$2,055</b>

## PRESIDENT'S STATEMENT

(000s omitted)



**ASH PATEL**  
PRESIDENT & CEO

Overall, we are pleased with Commercial Bank of California's results for the initial quarter of the new year. Our strong growth in assets, loans, and deposits was particularly gratifying. That balance sheet growth, combined with today's generally higher interest rates compared to a year ago, resulted in a substantial increase in our net interest income.

The growth in our balance sheet brings with it additional challenges, however. CBC will likely soon exceed \$1 billion in total assets on a sustained basis, which is an important milestone in the Bank's progress. But when banks cross the billion-dollar threshold, the expectations of banking regulators increase. In anticipation of this, we have been making prudent investments by adding highly-capable individuals to our management team. Our latest additions are Chief Financial Officer Kitty Payne and Chief Information Security Officer Scott Schneider, both of whom bring distinguished histories of achievement to their new positions at CBC. Kitty and Scott join Chief Risk Officer Neel Pinge, and Market Presidents Claudia Bodan, Mike Helmuth, and Shahzad Khan, in further strengthening our already-strong management team. Adding officers of this caliber comes at a cost, which is evident in our higher salary expense in the first quarter. But by making these investments now, CBC has built a firm foundation to support our growth in the years to come, while meeting the expectations of our regulators.

While our growth has been impressive, that growth in no way diminishes our commitment to a 'second to none' banking experience for our clients. Our message of 'Our Solutions, Your Success' continues to resonate with clients and prospects alike. CBC's unique combination of robust financial condition, advanced technology, and a holistic approach to personal service is what is making us the bank of choice for businesses and professionals in Southern California.

Thus far in 2019 we have seen no reduction in the economic volatility that has characterized the recent past. As before, that volatility brings with it both challenges and opportunities. CBC enjoys the financial strength and flexibility to act decisively to capitalize on the opportunities and address the challenges. We remain highly confident concerning 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](http://www.cbcal.com).

## FINANCIAL HIGHLIGHTS



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



Gross loans outstanding exceeded \$700 million for the first time



Retained earnings further strengthened robust capital position

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)

<b>ASSETS:</b>	<b>MARCH 31, 2019</b>	<b>MARCH 31, 2018</b>	<b>(000s omitted)</b>
Cash and due from banks	\$31,139	\$22,940	
Interest bearing deposits with banks	114,293	61,202	
Fed funds sold	2,500	2,500	
Cash and cash equivalents	147,932	86,642	
Investment securities	84,268	86,214	
Loans, net	691,673	605,552	
Premises and equipment - net	3,634	2,950	
Other real estate owned	-	-	
Accrued interest receivable and other assets	37,970	34,692	
<b>Total assets</b>	<b>\$965,477</b>	<b>\$816,050</b>	
<b>LIABILITIES AND CAPITAL:</b>			
Non-interest bearing demand deposits	\$319,843	\$278,214	
Interest bearing demand deposits	44,788	39,335	
Savings and money market deposits	428,744	305,903	
Time deposits	63,662	60,596	
Total deposits	857,037	684,048	
Federal Home Loan Bank advances	-	33,000	
Accrued interest payable and other liabilities	9,993	8,178	
Total liabilities	867,030	725,226	
Stated capital	83,831	83,830	
Retained earnings	14,974	8,264	
Accumulated other comprehensive income (loss)	(358)	(1,270)	
Total capital	98,447	90,824	
<b>Total liabilities and capital</b>	<b>\$965,477</b>	<b>\$816,050</b>	