

Dear Shareholders:

Each quarter we look back and reflect on our achievements. OCB Bancorp continues to make great progress in improving earnings, loan growth and operational efficiency. We are proud of our progress. We were recently designated a Premier Performing Bank from the Findley Company for our financial performance in 2016. Year over year growth of net income represents an increase of 42%, loans are up 17% and total assets have increased 22%. These are good marks on our score card.

Banking has changed considerably; we are continually reminded that with low interest rates and increases in regulatory oversight, a bank must be larger to provide desired returns for shareholders. In order to be larger, a bank needs capital, talent and a growing market. Our footprint is stable and strong, but not growing as significantly as we would like. The talent pool available for new hires and our access to available capital are limited. The banking landscape and service offerings are changing and we feel the need to be proactive. We feel it is in the best interests of our shareholders to consider alternatives for creating value for all of our shareholders. The strategy that continues to be valuable is to merge with another institution in order to leverage our capabilities together to further expand the overall community banking footprint.

As a result, we are pleased to announce the signing of a definitive agreement with Sierra Bancorp and the Bank of the Sierra to merge into their organization. The agreement calls for an exchange of stock in their company at a value of \$14 per share for OCB stock, subject to potential adjustments as detailed in the merger agreement.

We feel they are an excellent fit with our culture, support of community efforts, and desire for strong financial performance. The merger agreement was signed on April 24, 2017, and is estimated to close in the fourth quarter 2017.

As a result of the timing to obtain required regulatory and shareholder approvals, we have decided to postpone our annual meeting and hold just a special meeting of shareholders to consider approving the merger agreement, which will better coincide with the need to approve the merger by our shareholders. This is very normal for a situation such as this and we will be sending out extensive proxy materials in the in the next few months.

With the speed of social media and the internet, this may be old news for some of you, but we wanted each of our shareholders to hear it from us. We have attached a copy of the joint press release for your review.

The Bank has done an excellent job supporting the community, helping our neighbors in the time of financial need and donating to non-profits to further critical causes. We look forward to supporting our communities further as we prepare to join Sierra Bancorp and the Bank of the Sierra.

We will provide ample notice for the special shareholder meeting. We anticipate it to be held late in the third quarter or early fourth quarter. We have appreciated your support and loyalty throughout our history and are grateful for the opportunity to serve.

As always, we are happy to discuss the report further, provide more detailed information and answer your questions. Contact Dave Brubaker, President/CEO, by phone or email at 805-633-2444 or dbrubaker@ojaicommunitybank.com.

Sincerely,



David F. Brubaker
President/CEO

This letter includes forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this letter the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe," and similar expressions, the Company intends to identify forward-looking statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors that are beyond our control.

This statement has not been reviewed, or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.

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Statement of Condition

In Thousands - Unaudited



Statement of Operations

In Thousands - Unaudited

March 31,	Consolidated 2017	Consolidated 2016
ASSETS		
Cash and Due from Banks	\$ 8,651	\$ 7,469
Investments & Securities	38,604	23,225
Bank Premises & Equipment	1,050	724
Loans	214,284	183,135
Allowance for Loan Loss	(2,751)	(2,275)
Loans, net	211,533	180,860
Other Assets	10,468	9,137
Total Assets	\$ 270,305	\$ 221,415
LIABILITIES		
Deposits		
Non Interest Demand	\$ 84,151	\$ 69,454
Interest Bearing Demand	16,673	11,863
Savings & Money Market	97,239	67,652
Certificates of Deposit	23,449	25,272
Total Deposits	221,512	174,241
Other Liabilities	31,692	31,740
Total Liabilities	253,204	205,981
CAPITAL		
Common Stock	15,451	15,170
Preferred Stock - TARP	-	-
Retained Earnings	1,298	16
Current Earnings	353	248
Total Capital	17,101	15,434
TOTAL LIABILITIES AND CAPITAL	\$ 270,305	\$ 221,415

March 31,	Consolidated 2017	Consolidated 2016
INTEREST INCOME		
Interest & Fees on Loans	\$ 2,619	\$ 2,268
Income on Investments	71	40
Total Interest Income	2,689	2,308
INTEREST EXPENSE		
Time & Savings Deposits	113	54
Borrowed Funds	200	113
Total Interest Expense	313	167
Net Interest Income	2,376	2,141
Provision for Loan Losses	105	125
Net Interest Income After Provision	2,271	2,016
Service Charges	116	87
Mortgage Broker Fees	15	31
Other Operating Income	135	45
Total Other Income	265	163
OPERATING EXPENSE		
Personnel Expense	1,253	1,103
Occupancy & Equipment	191	183
Promotion	101	99
Supplies	60	57
Professional Services	185	173
Other	137	152
Total Operating Expense	1,927	1,768
Income Before Provision for Income Taxes	609	411
Provision for Taxes	256	163
Net Income	\$ 353	\$ 248
Diluted Income per Share	\$ 0.16	\$ 0.11
Tangible Book Value	\$ 7.66	\$ 7.06
Avg Earning Assets to Avg Assets	93.55%	93.49%



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The Bank holding company formation was completed on September 26, 2013.