



2nd QUARTER SHAREHOLDERS REPORT
June 30, 2017

Dear Shareholders:

OCB Bancorp continues to progress following our strong historical trends. Sustained growth in loans, deposits, and earnings provide stability and confidence. We continue to steward a clean community connected organization. This has allowed our Bank to maximize shareholder value, creating an opportunity for shareholders with our pending merger with Bank of the Sierra and its holding company, Sierra Bancorp. As we move forward, we feel this will be a very positive transition that our customers and community will appreciate with our new partner. We expect our proxy statement will be issued in the very near future, and you are urged to read the proxy statement and our merger agreement with Sierra Bancorp.

As we reflect on our past, we are proud of who we are and what we have accomplished. Not a day goes by that we are not grateful for your support to allow us to reach out and help people in their time of need. It might be as simple as taking time to help someone reconcile their check book, or help secure real estate financing that considers the big picture rather than some isolated credit problem in the borrowers past. It is about providing solutions and we are confident we have made a difference. Bank of the Sierra shares the same guiding principles and is committed to serving the needs of our local communities.

Our merger transaction remains on schedule. We have received FDIC approval and will begin the process to obtain shareholder approval in September. The record date will be July 31, 2017, with a special shareholder meeting set for September 21, 2017 at 5:30. We anticipate the close will be early October 2017.

If your shares are held in a brokerage account, more than likely they will process the paper work on your behalf. If you hold your certificate physically, you will need to find them and our transfer agent will instruct you on how to convert them to Sierra Bancorp shares at the appropriate time. If you have lost your certificate, the process will include posting a bond and paying the transfer agent an administrative fee. This process is not within our control, but we can assist where necessary.

In the meantime, our financial performance continues on track. As of June 30, 2017, our most recent quarter, we continue to see good progress over prior periods. Total Assets have grown \$37 million to \$276 million or 15% over June 30, 2016. During that same period, we have seen loans increase approximately 7%, up \$13 million, reaching \$210 million. As a result of operations, and a couple of Fed rate increases, we have seen an increase in net income. Year to date, our net income is up \$203 thousand or 39%, over June 30, 2016, to reach \$739 thousand after tax. These are all good signs of base building in a very competitive industry and challenging business climate.

We are proud of what we have done in supporting the community, helping our neighbors in the time of financial need and donating to non-profits in assisting critical causes. We look forward to supporting our communities further as we prepare to join Bank of the Sierra.

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

June 30,	Consolidated 2017	Consolidated 2016
ASSETS		
Cash and Due from Banks	\$ 8,726	\$ 6,309
Investments & Securities	49,319	28,287
Bank Premises & Equipment	1,010	1,081
Loans	209,569	196,606
Allowance for Loan Loss	(2,825)	(2,401)
Loans, net	206,744	194,205
Other Assets	10,494	9,792
Total Assets	\$ 276,292	\$ 239,674
LIABILITIES		
Deposits		
Non Interest Demand	\$ 89,864	\$ 72,773
Interest Bearing Demand	15,630	12,838
Savings & Money Market	100,642	80,995
Certificates of Deposit	23,218	25,366
Total Deposits	229,355	191,972
Other Liabilities	29,230	31,966
Total Liabilities	258,585	223,938
CAPITAL		
Common Stock	15,690	15,204
Retained Earnings	1,298	16
Current Earnings	719	516
Total Capital	17,707	15,736
TOTAL LIABILITIES AND CAPITAL	\$ 276,292	\$ 239,674

June 30,	Consolidated 2017
INTEREST INCOME	
Interest & Fees on Loans	\$ 5,221
Income on Investments	193
Total Interest Income	5,414
INTEREST EXPENSE	
Time & Savings Deposits	246
Borrowed Funds	386
Total Interest Expense	632
Net Interest Income	4,782
Provision for Loan Losses	140
Net Interest Income After Provision	4,642
Service Charges	241
Mortgage Broker Fees	59
Other Operating Income	183
Total Other Income	484
OPERATING EXPENSE	
Personnel Expense	2,470
Occupancy & Equipment	381
Promotion	201
Supplies	117
Professional Services	383
Other	352
Total Operating Expense	3,905
Income Before Provision for Income Taxes	1,221
Provision for Taxes	502
Net Income	\$ 719
Diluted Income per Share	\$ 0.31
Tangible Book Value	\$ 8.00
Avg Earning Assets to Avg Assets	94.06%



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