

1st QUARTER SHAREHOLDERS REPORT

March 31, 2013

Board of Directors**Don Scanlin**

Chairman of the Board

John Russell

Vice-Chairman

Dave Brubaker**George Melton****Martin A. Pops, MD****Dietrich Schmidt****Bill Sechrest****Esther Wachtell****Larry Wilde**

Dear Shareholders:

Each quarter we take pride in updating our shareholders on the status and performance of your Bank. As you know, 2012 was a banner year for us and as we look to the future, our vision of 2013 and beyond is strong. The Bank continues to have an excellent capital position, stable credit quality and excellent liquidity.

Total assets finished at \$138,829,000 as of March 31, 2013, up \$4.4 million, or 3.3% from December 31, 2012. Total loans increased \$1.0 million or 1.3% for the same period. Much of the asset growth is the result of deposit growth in the amount of \$4.3 million. Deposits not loaned out provided an increase in cash and investments of \$3.1 million, or 5.82%. Additional loan growth is critical to the continued expansion of the Bank. The first quarter was slower than anticipated, but we have a number of loans in the pipeline.

Pretax net income for the Bank for the first quarter ending March 31, 2013 was \$48,000, as compared to \$250,000 for the quarter ending March 31, 2012. The decline is the result of delayed loan funding, declining interest income due to the extended length of the low rate environment, as higher yielding loans pay off and new loans board at lower rates, and increased salary expense as a result of higher health insurance, payroll taxes and staff changes executed for expansion.

Credit quality remains very stable with no significant migration of loans into problem status. Our allowance for loan loss reserve is approximately \$1.36 million, or 1.80% of total loans. This level is comparable to our peer banks and, we believe, sufficient at this time.

Mortgage lending has made progress based on both our budgetary figures and on customer feedback. This department has contributed over \$43,000 in fee income for the first three months of the year. Santa Paula is stable and deposits remain solid with little impact from the branch consolidation. Ventura continues on track as we enter this new market. We expect continued growth with significant contributions from the Ventura expansion in the future.

We have created a plan to pay off our TARP. It involves creating a Bank Holding Company as a vehicle to borrow the funds and then pay off the Treasury. Approximately 50% of banks in California have holding companies, so the idea is not necessarily unique. We have included summary information from our previously mailed proxy. Shareholders should read the entire proxy statement that was previously

Officers**Dave Brubaker**

President/CEO

Michael Orman

Chief Operating Officer

Michelle Henson

Chief Credit Officer

Susan Lagos

Chief Financial Officer

Don Tello

Santa Paula Division President

George Tabata

Commercial Lending

mailed concerning the formation of the holding company for complete details. Your vote and support are important. If you have questions, please call.

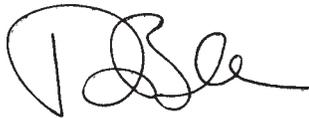
From a shareholder standpoint, there is no significant difference. Your share in the Bank will be exchanged tax free into a share of the Bank Holding Company. There will be no gain or loss in value, taxation or voting rights. It is more of a substitution of shares.

Community banking is alive and well. As larger banks cut back, opportunities for gaining market share is increasing, and for those who value relationship banking, we are the bank. We believe the long-term future of banking, is community banking.

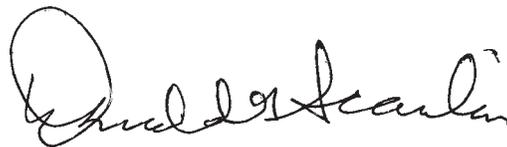
Our annual shareholder's meeting is scheduled for Thursday, May 9, 2013, at 5:30 pm here in Ojai. We encourage you to attend. This is an excellent opportunity to receive in-depth information about the Bank, ask questions and enjoy the company of friends and shareholders. Please mark your calendars and join us.

We thank you for your loyalty and we are always available to answer your questions. Contact Dave Brubaker, President/CEO, at the main office located at 402 W. Ojai Avenue, Ojai CA 93023, dbrubaker@ojaicommunitybank.com or 805-646-9909.

Sincerely,



David F. Brubaker
President/CEO



Donald Scanlin
Chairman

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

SUMMARY OF HOLDING COMPANY FORMATION

This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the appendices in order to understand fully the matters on which you will be voting.

Proposal No. 2 - Holding Company Formation

The Board of Directors of Ojai Community Bank has determined it is in the best interests of the shareholders of the Bank to reorganize the operating structure of the Bank by forming a holding company to be the parent company of the Bank, and for the Bank's shareholders to exchange their stock in the Bank for shares of stock in the new holding company (the "Reorganization").

Parties to the Reorganization:

Ojai Community Bank is a California state bank that commenced operations in March 3, 2005. It currently maintains and operates out of its headquarters banking office. At December 31, 2012, the Bank had total assets of \$134.4 million, total deposits of \$118.7 million and total shareholder's equity of \$15.5 million. **The accompanying Annual Report to Shareholders of Ojai Community Bank contains the Bank's audited financial statements and certain other information concerning the Bank.**

OCB Bancorp (the "Company") is a California corporation that was recently formed for the purpose of becoming the parent bank holding company of the Bank. The Company has no operating history. The address of its principal office is 402 West Ojai Avenue, Ojai, California.

OCB Merger Corp. - in connection with the Reorganization, the Bank and the Company are organizing OCB Merger Corp. ("Interim") as a wholly-owned subsidiary of the Company. If the Reorganization is approved by the shareholders of the Bank and the other conditions set forth in the Plan of Reorganization and Agreement of Merger (the "Reorganization Agreement") are satisfied or waived, Interim will merge with and into the Bank. (See, "HOLDING COMPANY FORMATION – Description of the Reorganization").

The Reorganization

Pursuant to the Reorganization Agreement entered into by the Company, Interim and the Bank among other things:

- Following receipt of all necessary regulatory approvals, the Bank will redeem its 2080 Shares of Series A Preferred Stock and 104 Shares of Series B Preferred Stock for approximately \$2.3 million issued to the US Treasury under TARP-CPP in January 2009;
- Interim will merge with and into the Bank, which will continue to be named "Ojai Community Bank";
- Company will borrow approximately \$2.3 million from an independent third party lender, the proceeds of which will be contributed to the Bank to restore the Bank's capital to the level just prior to the redemption of the Series A and Series B Preferred stock;

- the business of the Bank will continue in the form of the combined companies unaffected and unimpaired by the Reorganization;
- each outstanding share of Bank common stock will convert into and be exchanged for one share of Company common stock;
- the Company will assume the stock options under the Bank's stock option plan;
- the Bank will be a wholly-owned subsidiary of the Company;
- the existing holders of Bank common stock will own all of the outstanding shares of Company common stock; and
- Company will service and repay the \$2.3 million borrowing through dividends from the Bank until it is paid.

The Company expects that the Reorganization will close during the second or third quarter of 2013. (See, "HOLDING COMPANY FORMATION - Description of the Reorganization").

Reasons for the Reorganization

The Board of Directors of the Bank believes that a holding company form of organization will:

- allow the Bank to redeem the Series A and Series B Preferred Stock;
- provide flexibility for meeting the financing needs of the enterprise, including providing capital to the Bank, either through stock offerings, preferred securities issuances, debt offerings, or borrowing at terms and conditions otherwise unavailable to the Bank as a stand-alone entity;
- provide greater flexibility in responding to evolving changes in the banking and financial services industries and meeting the competition of other financial institutions; and
- facilitate the acquisition of other financial institutions and companies engaged in other related activities.

There are no current agreements or understandings for the diversification of operations through use of the holding company. The Bank's Board of Directors believes, however, that the ability to act promptly to take advantage of any desirable opportunities that may arise in the future could be jeopardized if formation of the Company is deferred.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends that you approve the Reorganization Agreement and the Reorganization. (See, "HOLDING COMPANY FORMATION - Recommendation of the Board of Directors").



Ojai Community Bank
 Ventura Community Bank
a division of Ojai Community Bank
 Santa Paula Community Bank
a division of Ojai Community Bank

Shareholder Quarterly Report
 3/31/2013

Balance Sheet
 (unaudited)

ASSETS	<u>3/31/2013</u> (In 000's)	<u>12/31/2012</u> (In 000's)
Cash & Due from Banks	4,170	4,847
Investments/Securities	53,876	50,738
Loans		
Commercial	6,514	5,678
Real Estate	67,892	67,645
Other	1,066	1,167
Loans, Gross	<u>75,472</u>	<u>74,490</u>
Deferred Loan Fees & Costs	-59	-76
Loan Loss Reserve	<u>-1,359</u>	<u>-1,364</u>
Loans, Net	74,054	73,050
Bank Premises	1,418	1,435
Other Assets	5,311	4,379
Total Assets	<u><u>138,829</u></u>	<u><u>134,449</u></u>
 LIABILITIES		
Deposits		
Non Interest Demand	37,290	35,735
Interest Bearing Demand	11,360	12,139
Savings & Money Mkt	39,922	37,430
Certificates of Deposit	<u>34,456</u>	<u>33,398</u>
Total Deposits	123,028	118,702
Other Liabilities	298	252
Shareholders Equity	<u>15,503</u>	<u>15,495</u>
Total Liabilities & Shareholders Equity	<u><u>138,829</u></u>	<u><u>134,449</u></u>
 Shares Outstanding	 2,080,778	 2,080,778

Income & Expenses
 (unaudited)

	<u>1/1/2013 to</u> <u>3/31/2013</u> (In 000's)	<u>1/1/2012 to</u> <u>3/31/2012</u> (In 000's)
Interest Income		
Interest & Fees on Loans	1,039	1,226
Interest on Investments	55	47
Total Interest Income	<u>1,094</u>	<u>1,273</u>
Interest Expense	<u>-63</u>	<u>-106</u>
Net Interest Income	1,031	1,167
Provision for Credit Losses	<u>0</u>	<u>0</u>
Net Interest Income after Provision	<u>1,031</u>	<u>1,167</u>
Other Income		
Service Charges on Deposit Accts	67	69
Other Fees & Misc Income	<u>86</u>	<u>34</u>
Total Other Income	<u>153</u>	<u>103</u>
Operating Expenses:		
Salaries & Benefits	578	479
Occupancy, Equipment	127	117
Promotion	50	38
Supplies	38	34
Professional Services	181	181
Insurance/FDIC	50	55
Other	<u>112</u>	<u>116</u>
Total Operating Expenses	<u>1,136</u>	<u>1,020</u>
Net Operating Income Before Income Taxes	48	250
Income Tax Expense	<u>22</u>	<u>0</u>
Profit (Loss) for Period	<u><u>26</u></u>	<u><u>250</u></u>