

2021 IMPACT REPORT



A MESSAGE FROM OUR CEO



To our Clients and Local Communities,

These are unprecedented times, yet what I take away from this era is the resilience and perseverance of our communities. I remember when our team members pulled together to offer the first round of economic relief of the CARES Act the moment it was made available by the SBA (Small Business Administration). Our PPP (Paycheck Protection Program) team worked around the clock to ensure the businesses that needed funds the most (especially local essential businesses and those forced to close their doors for many months) received personalized support to save jobs and keep their doors open. It was a clear expression of CBB's commitment to our clients and our entire community, and I am proud that our team made it happen.

As a staple in our community since 1996, we understand the importance of coming together during the most challenging times. There is no coincidence that the word "Community" comes first in our name. Community is our core value, and it's one of the ways that make us "Different, on Purpose."

Throughout the pandemic, we saw it as our responsibility to fulfill our mission as a Community Development Bank to help as much as possible in the response efforts. From equipping our essential

on-site team members with protective equipment, remote work options, and safety measures; to donating to local nonprofit organizations serving minority-led businesses; to applying every resource available to support and fund businesses through the PPP loan program.

This robust response was in part possible due to our strong financial position, community partnerships, and steadfast commitment to our communities. By standing with and understanding the urgent needs of our local businesses and communities we made sure our quick, personalized, and local decision-making process meant that both clients and non-clients received the immediate financial relief they needed.

When we heard that most banks were turning away small-sized PPP applications and non-clients, we quickly put out the word that we could help. When our PPP applicants told us about the countless banks that were turning them away, we knew we could step in and do better, and we certainly did. I will be forever grateful to my fellow teammates who took the time to patiently support each and every applicant regardless of their status as clients or the size of their loans. To me, being part of CBB has and will always mean putting our community first.

Leading CBB for the last 11 years has been the most rewarding position of my banking career. We are "Different, On Purpose," and it means that I see all of the deep, personal community connections and partnerships every day I come to work. We are honored to call ourselves "essential workers," alongside so many working to keep our communities safe and healthy. And, we'll continue to persevere right alongside you through prosperity and challenges.

A handwritten signature in blue ink that reads "Bill". The signature is fluid and cursive, with a large, stylized 'B'.

William S. Keller

PRESIDENT & CHIEF EXECUTIVE OFFICER



WHO WE ARE

Our most important assets are our team members; they are at the heart of our mission and the key to our success. They embody our values of community and connection every day by delivering strong relationships, prompt information, fair decisions, and strategic insight, along with a desire to make a difference in our community.

CBB recognizes the importance of solid relationships within the greater Bay Area, and we embrace our employees' civic engagement and responsibilities. We encourage participation in and support our team members with leadership positions on the boards and committees of many non-profit organizations, including community development, affordable housing, social justice, and environmental sustainability.

Our employees are as diverse as the communities we serve. We believe that our team's diverse backgrounds and experiences make us better.



LANGUAGES SPOKEN

ENGLISH
SPANISH • ESPAÑOL

HINDI • हिन्दी
plus 8 other dialects

TAGALOG

CHINESE • 中文
*Cantonese, Mandarin,
Mongolian, Taiwanese*

FARSI • فارسی



DEMOGRAPHICS

**OUR YOUNGEST
EMPLOYEE IS**

24
YEARS OLD

**OUR OLDEST
EMPLOYEE IS**

76
YEARS OLD

63%

**OF EMPLOYEES IDENTIFY
AS FEMALE**





OUR PHILANTHROPY

We're proud to sponsor local nonprofit organizations with compatible missions, and we encourage our staff to participate in worthwhile community service projects. CBB offers each team member a paid day to volunteer in the community. Our employees use this day to volunteer at local events, food banks, religious organizations, and other non-profits.

Supporting our non-profit clients is an integral part of how we do business at CBB. In 2021, CBB gave to the following charitable organizations and funds:

- **Alliance for Community Development**
- **California Association of Food Banks**
- **DACC College Scholarship Fund**
- **Discovery Counseling Center**
- **Meals on Wheels of Alameda County**
- **Museum of Jazz & Art**
- **National Wildlife Federation**
- **Oakland Black Business Fund**
- **Riekes Center for Human Enhancement**
- **Rose Foundation for Communities**
- **Samaritan House**
- **San Francisco Compassion Advocacy**
- **Sandra J. Wing Healing Therapies Foundation**
- **Silicon Valley Community Foundation**
- **Six Feet Apart & Rising**
- **Sustainable San Mateo County**
- **The 30th Annual Blackhawk Food Wine and Film Festival**
- **Yerba Buena Center for the Arts - Artist Relief Fund**



ABOUT COMMUNITY BANK OF THE BAY

At CBB, we believe you can't truly serve a community unless you're part of it. We're actively involved in local community life through our business relationships, giving back programs, and in our daily lives. That's the whole rationale behind community banking: your funds are invested locally, through local decisions, by local people, for the success of the entire community. The community relationships we build and foster result in a faster and more straightforward approach to customized solutions for local businesses and nonprofits.

Our goal to improve the local economy goes beyond what's required. We seek strategic partnerships that benefit our entire community, not our bottom line. Whether it's reaching out to each and every one of our small business clients to encourage and help them with PPP funding or championing greater financial inclusion in marginalized communities, we're here.

As the first Community Development Financial Institution (CDFI) certified in California, we're one of only 150 certified by the United States Treasury. Being a CDFI means we're part of a unique subset of financial institutions committed to making our communities a better place.

Since 1997, we have received the CDFI Fund Bank Enterprise Award (BEA) 20 times. The BEA program recognizes banks that back their mission with active investment in their communities.



OUR CLIENTS

We are honored to serve many organizations from many industries, including local nonprofits, multi-generational businesses, creative professionals, and owner-operators.

We're especially enthusiastic about partnering with organizations focusing on progressive real estate development, environmental sustainability, and economic diversity in order to help build opportunities, employment, and economic stimulation in the Bay Area.

Grounded in communities, we serve the "real economy" and enable local businesses and communities to thrive. The real economy relates to financial activities that directly support producing and selling physical goods and services. CBB does not invest in hedge funds and other financial activities that are simply "betting" on the economy.



93%

**OF OUR CLIENTS ARE LOCAL;
THEY LIVE AND PROVIDE
SERVICES IN THE BAY AREA.**



98.5%

**OF OUR TOTAL ASSETS WERE
IN THE REAL ECONOMY**

93%



**OF OUR CLIENTS ARE
IN THE BUSINESS OF
HELPING PEOPLE.**

A COMMUNITY-FOCUSED RESPONSE TO COVID-19: **PAYCHECK PROTECTION PROGRAM**

As the Bay Area began to feel the effects of the coronavirus pandemic, CBB launched a bank-wide response to meet the unprecedented challenges of an unfamiliar and fast-changing environment. A threefold approach developed early on — small business outreach and support, customer service, and investments in technology, and community commitment. This approach defined our activities for the entire year.

For local businesses struggling to survive during shelter-in-place mandates and an economic downturn, our lending teams began preparations early on and jumped into action even before federal and regulatory relief efforts were available. During the earliest days of the pandemic, we initiated stop-gap measures such as immediately increasing lines of credit and unsecured loan commitments and establishing principal loan deferrals for business clients.

Once the SBA implemented the Paycheck Protection Program (PPP), CBB's specialized PPP-focused team was poised and ready to support our clients and the local community. Our team worked countless hours to learn the program's intricacies, its application process, and how to ensure loan forgiveness. Navigating the PPP process drew upon the resources of the entire bank, as team members from across departments took on new and different responsibilities to address the volume of applications and inquiries. The team pulled together to secure PPP funding for businesses and helped thousands of people remain employed, contribute to the local economy, and provide for their families. In the end, we were able to protect 2,578 jobs by facilitating \$73,001,448 in PPP loans. Our bankers worked long hours to shepherd 600 loan applications for our business clients, 100% of which were successfully funded. The businesses we helped weren't big, corporate entities. They were local grocery stores, restaurants,



600 **LOANS
CLOSED**



FUNDS DISBURSED
\$73,001,448



2,578 **REGIONAL
JOBS
PROTECTED**



\$155,616
AVERAGE PPP LOAN AMOUNT

plumbing and heating contractors, churches, doctor and dentist offices, and many other Main Street businesses that needed a lifeline to survive.

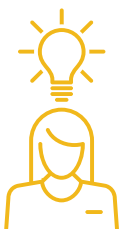
We later learned that most banks were turning away businesses that needed smaller loans and non-clients. We're proud to say, in 2021, 72% of our PPP loans were not CBB clients, and 19% of all PPP loans were less than \$25,000.



55% OF PPP
LOANS WERE
UNDER \$100k



19% OF PPP
LOANS WERE
UNDER \$25k



**NATIONALLY, 20% OF PPP LOANS
WERE FEMALE-OWNED BUSINESSES.**

AT CBB,

31% OF PPP LOANS WERE
FEMALE-OWNED
BUSINESSES



93% OF PPP LOANS
WERE IN THE
BAY AREA

As an “essential business,” our team worked around the clock to protect the health, safety, and financial wellbeing of customers and team members. We instituted new practices and procedures such as social distancing and masks while ensuring customers still had access to the personalized, first-rate customer service they expected from us. Eventually, our branches needed to conduct business in new ways via video, phone, and increased online and mobile banking usage. During this time, CBB continued to invest in technology and efforts to better connect customers to the services and tools they needed. We launched new web-based resources and updates and rolled out additional features and upgrades in mobile and online banking. To best support struggling small businesses to access PPP loans, CBB partnered with Abrigo’s Sageworks SBA Lending solution. The online application made it extremely easy for clients because all their information was already in the system.

As a commitment to the community, CBB contributed tens of thousands of dollars to nonprofits to combat the impact of the pandemic on businesses, individuals, and families. In addition to supporting local nonprofits, businesses and artists, we were honored by the opportunity to sponsor the Oakland Black Business Fund alongside NCIF, a national nonprofit dedicated to advancing equality and opportunity and a long-time supporter and investor. When presented with the opportunity to participate in the NCIFCares initiative, we knew it was the right way to contribute to the local businesses that needed help the most.



CLIENT SPOTLIGHT: DISCOVERY COUNSELING CENTER

When you've been part of a community as long as the Discovery Counseling Center of San Ramon Valley, you understand a thing or two about what it means to be a catalyst for change.

Discovery Counseling Center makes a promise to the community: to help people stay safe, connected, and healthy in times of difficulty and during life transitions. Their expertise and knowledge of mental health, traumatic events, and addiction coupled with culturally appropriate and affordable care are invaluable to destigmatizing mental health in the community.

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It has been a wonderful partnership with Community Bank of the Bay. [They are] a true partner to the mental health of this community.

KATHY CHIVERTON, EXECUTIVE DIRECTOR AT
DISCOVERY COUNSELING CENTER



The center takes mental wellness and applies it to the diverse communities of the San Ramon Valley, with about 10,000 client sessions per year. They serve as a partner to their clients, identifying, addressing, and holistically supporting their needs so they can live healthy and productive lives. As a staple in the community for over 50 years, they operate a counseling center for individuals and group therapy in Danville and San Ramon, youth programs in the San Ramon Valley Unified School District, and a second-hand store, the Thrift Station, which financially supports the nonprofit's programs.

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With help from CBB, Discovery Counseling Center received a PPP loan to maintain operations of their thrift store while creating new strategies for resilience and providing services to the community.

Discovery Counseling Center is built upon trust and strong relationships, just like our bank and we've been partners since 2014. The center's staff has always guided their clients through challenging times, similar to Community Bank of the Bay. It's why they reached out to us for a Paycheck Protection Program loan.

With help from CBB, Discovery Counseling Center received a PPP loan to maintain operations of their thrift store while creating new strategies for resilience and providing services to the community. "It's why we stayed open and provided this community with the mental health support they needed through the pandemic," said Executive Director Kathy Chiverton.

"We've been able to [continue operating] because of The Thrift Station. The Thrift Station raises one-third of our income, and it is what enables us to tell a mom who has called and said, 'Our child needs help so badly, but we have no money. We'll take a second mortgage out on our home to afford to get him the support he needs.' And I can say to that mom, 'You don't have to do that.'"

"It has been a wonderful partnership with Community Bank of the Bay. [They are] a true partner to the mental health of this community," said Chiverton.

We're proud to make it our mission to serve clients like the Discovery Counseling Center of San Ramon Valley.

CDFIs HELP PEOPLE WHEN OTHERS TURN THEM AWAY

WHAT DOES IT MEAN TO BE A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)?

CDFI certifications are issued by the U.S. Department of the Treasury to recognize institutions that serve economically distressed communities.

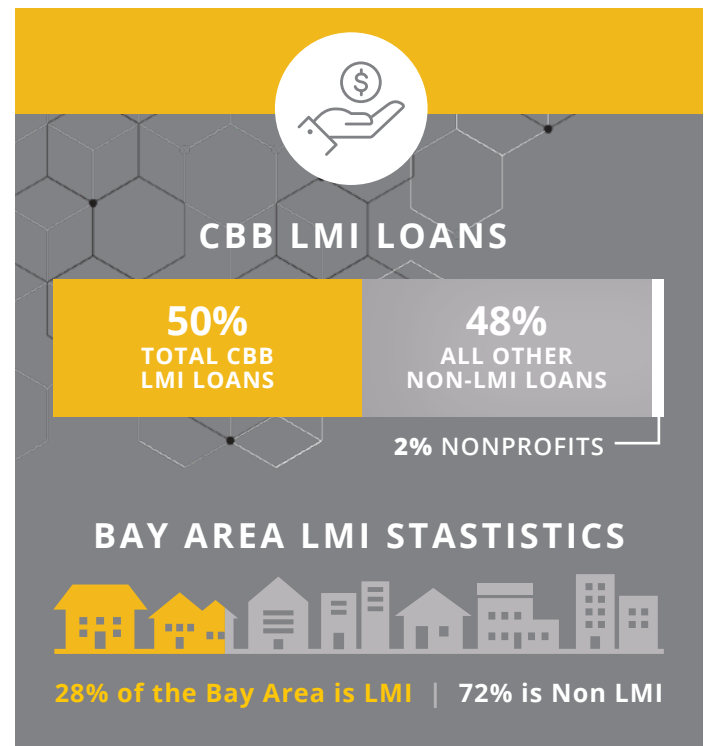
Local community development is written into CBB's institutional DNA. As California's first certified Community Development Bank, we work hard to fulfill our mission to provide affordable banking and flexible financing to make a positive and sustainable economic impact here in the Bay Area. The CDFI Fund rewards institutions that fulfill this mission with funds in the form of Bank Enterprise Awards (BEA). Since 1997, we have received the CDFI Fund Bank Enterprise Award (BEA) 20 times. The BEA program recognizes banks that back their mission with active investment in their communities.

ANTI-DISPLACEMENT CODE OF CONDUCT

In 2018, we signed the Anti-Displacement Code of Conduct because stopping housing displacement aligns with our mission as a values-based bank. In fact, we are the first and only bank in California to commit in this way. We place the needs of our entire community in our decision and loan-making processes and align with the California Reinvestment Coalition to stem the tide of displacement for communities in our backyard.

LOANS IN LOW OR MODERATE INCOME (LMI) AREAS

Only 28% of the San Francisco Bay Area is considered low or moderate-income, yet more than half of the loans given by CBB in 2021 were given to businesses in low-to-moderate income areas. We continue to prioritize helping the local businesses and neighborhoods that need it the most.





CLIENT SPOTLIGHT: EPA CAN DO

The Bay Area is widely known for a serious housing crisis with a lack of affordable housing, soaring rental prices, high home prices, and growing income inequality. Currently, there is a shortage of 160,000 homes, and only 23 affordable housing units are available for every 100 households from low-income communities.*

In the East Palo Alto area, EPA CAN DO tackles this housing crisis head-on by providing permanent, high-quality, affordable housing to low- and moderate-income residents. For over 30 years, they have been developing affordable housing. Their current portfolio includes more than 300 affordable housing units.

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Community Bank of the Bay truly supports the community, and that is seen in how they act as an organization.

■ DUANE BAY, EXECUTIVE DIRECTOR AT EPA CAN DO

*According to the 2021 National Low Income Housing Coalition report.



The central goal of the Housing Program of EPA CAN DO is to create and maintain long-term affordable housing that improves the quality of life for the residents of East Palo Alto, CA. In addition to developing affordable housing, EPA CAN DO aims to improve the quality of life for the community by removing barriers to success for residents and neighbors and strengthening families through economic advancement programs and homeownership support.

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Because of our values and our focus, [we're] a signatory on the Anti-Displacement Code of Conduct. CBB is the only signatory on the bank side, and we're proud to be signatories on the community side. So [we] really appreciate CBB stepping up in that way.

■ DUANE BAY, EXECUTIVE DIRECTOR AT EPA CAN DO

For EPA CAN DO, providing the best possible experience for the community requires partnering with other organizations in line with their values. “We bank with Community Bank of the Bay because we share values, and we express those values through doing real, practical work in the community,” said Duane Bay, EPA CAN DO’s Executive Director.

“Because of our values and our focus, [we’re] a signatory on the Anti-Displacement Code of Conduct. CBB is the only signatory on the bank side, and we’re proud to be signatories on the community side. So [we] really appreciate CBB stepping up in that way.”

We all do a better job of serving the community when we work together, and EPA CAN DO’s housing developments are a great example of organizations and neighbors working together.

“As a long-time East Palo Alto resident who was born and raised here, it is very important for me to see my own community, friends, and family to be able to stay in East Palo Alto and organizations like EPA Can Do really lead that work for us,” said Iliana Nicholas, ADU Program Manager at EPA CAN DO.

“We trust Community Bank of the Bay as our banking partner. They truly support the community, and that is seen in how they act as an organization,” said Duane Bay.

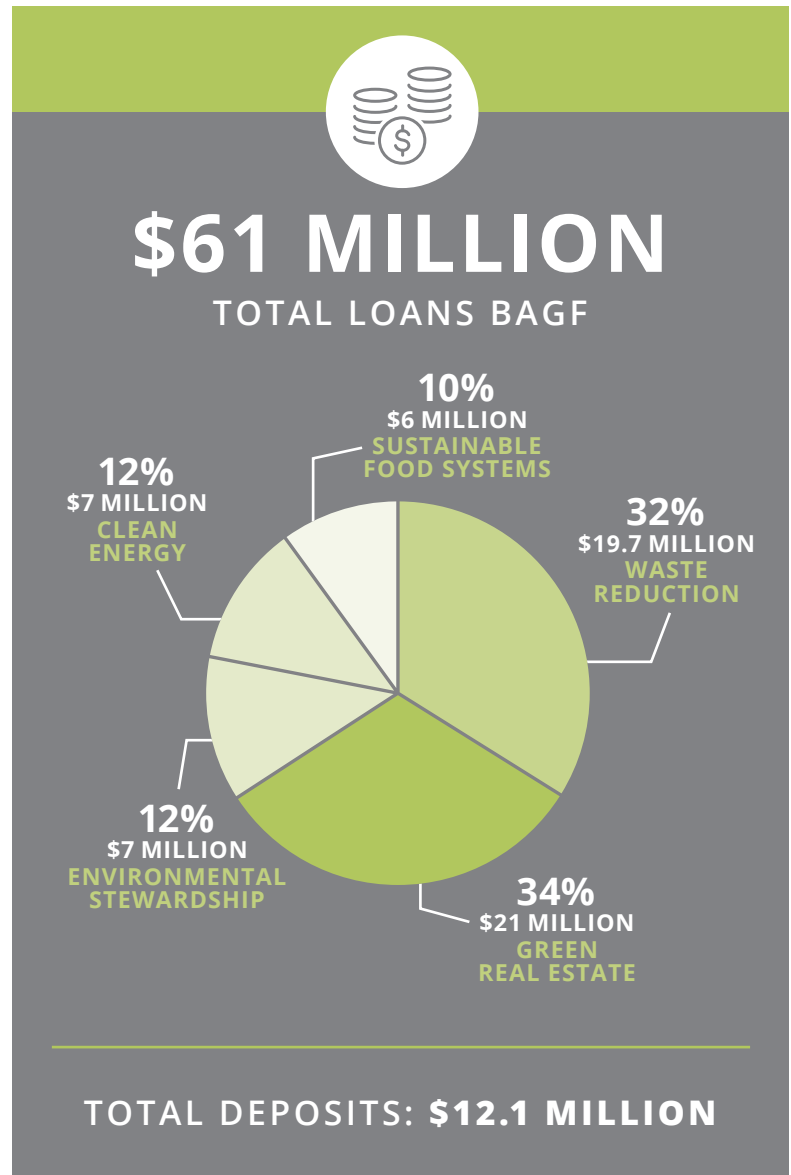
BAY AREA GREEN FUND: GREEN BANKING FOR A BETTER FUTURE



The Bay Area is home to incredible environmental wonders — stunning sunsets over the Pacific Ocean, old-growth Redwood forests, a mild climate, and more — and we want to keep it that way. Since the Bay Area Green Fund was created in 2006, we have offered environmentally-friendly banking solutions to support individuals, local businesses, and the environment.

Unlike many big banks, the Bay Area Green Fund (BAGF) doesn't give loans to fossil-fuel projects. Most banks invest in projects based on the profitability of the business, regardless of the project's impact on the environment. We invest in "green" projects that work to positively support the health of our environment. Loans are given to projects in one of the following environmental categories.

- **Waste Reduction**
- **Clean Energy**
- **Green Real Estate**
- **Environmental Stewardship**
- **Sustainable Food Systems**



CLIENT SPOTLIGHT:

CORACAO CONFECTIONS



It's about more than just great-tasting chocolate. It's about taking the time to appreciate the good things in life without sacrificing health, caring about the world, and planning for the future.

For Coracao Confections founders Daniel Korson and Mathew Rogers, this idea has embodied their chocolate brand's mission, vision, and values. Every piece of Coracao candy is dairy-free, gluten-free, soy-free, cane sugar-free, and 100% certified organic.

The founders travel worldwide to find the best-tasting chocolate, made sustainably. Today, they source cacao beans from small land preserves and regenerative bio-dynamic farms throughout Ecuador, only supporting fair-trade farms. "We taste and test every single ingredient we use. If it doesn't meet our high standards or it's not 100% certified organic, we won't use it, period."

“

I feel great about having our business checking and saving account with CBB, knowing they are helping other local businesses thrive.



As the climate-neutral certified confectioner has grown over the years, they needed to expand their operations into a new location. As a business banking client since 2016, they qualified for a Bay Area Green Fund line of credit to help them expand to a larger production facility in Richmond. Coracao's goal is to triple production and hire more employees with this line of credit.

The Bay Area Green Fund, which started in 2006, uses deposits earmarked for the fund to lend to green businesses. Businesses qualify by meeting standards within one of five categories: green real estate, clean energy, food sustainability, waste reduction, and environmental stewardship.

"We used to bank with one of the big banks and made the switch to Community Bank of the Bay over a decade ago and have never looked back! CBB gave my business a line of credit early on when the big banks wouldn't, and CBB has been instrumental in helping our business grow. I feel great about having our business checking and savings account with CBB, knowing they are helping other local businesses thrive."



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BRANCH LOCATIONS



OAKLAND LOCATION

180 Grand Ave., Suite 120
Oakland, CA 94612
(510) 433-5400



DANVILLE LOCATION

740 Camino Ramon
Danville, CA 94526
(925) 838-2902



SAN MATEO LOCATION

155 Bovet Rd., Suite 150
San Mateo, CA 94402
(650) 389-1010



Proud to be
the first CDFI certified
bank in California

Bay Community Bancorp is the parent holding company of Community Bank of the Bay.