

CBC BANCORP ANNOUNCES THE ACQUISITION OF BAY COMMUNITY BANCORP



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CBC Bancorp →
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*Acquisition Will Create a Unique and Purpose-Driven Community Business Bank To
Service Two of the Largest Banking Markets in California*

IRVINE, Calif. and OAKLAND, Calif., May 20, 2024 /PRNewswire/ -- CBC Bancorp, the holding company for **Commercial Bank of California** (CBC), announces it has entered into a definitive acquisition agreement with Bay Community Bancorp (OTC Pink: CBOBA), the holding company for **Community Bank of the Bay** (CBB). Under the terms of the agreement, CBC Bancorp will acquire Bay Community Bancorp in an all-cash transaction valued at \$14.00 per common share. This acquisition merges institutions from two of California's largest banking markets, resulting in approximately \$3.5 billion in combined assets.

"The alignment of our two institutions will create a unique banking franchise that better serves our employees and clients," said Ash Patel, chairman of the board, CEO and president of Commercial Bank of California. "Once we combine our two reputable banking platforms, it will create a transformative business bank with expanded product offerings driven by the purpose to serve our communities across California."

The acquisition of Bay Community Bancorp will transition Community Bank of the Bay to a privately held bank owned by a limited number of shareholders, and its shares will no longer be publicly traded. As a privately held bank, CBB will remain a division of Commercial Bank of California for the long term. This will empower both banks to grow

**Commercial Bank of California
holding company enters
agreement to acquire
Community Bank of the Bay
holding company.**

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The acquisition of Bay Community Bancorp will transition Community Bank of the Bay to a privately held bank owned by a limited number of shareholders, and its shares will no longer be publicly traded. CBB pioneered a new form of community development and reinvestment in California, and was the first

in execution of CBC's core values of gratitude, respect, integrity, trust, courage, compassion and humility.

financial institution to be certified as a Community Development Financial Institution (CDFI) in the state.

"This transaction brings together two complementary institutions with long standing ties to their communities, similar cultures and a relationship-based approach to banking," said William Keller, CEO of Community Bank of the Bay. "One of the many benefits of this combination is that the combined bank's greater scale will allow for increased investments in products and services that will directly benefit our clients and enhance productivity. This is the right move for the future of both institutions and we're excited to work together."

Community Bank of the Bay will maintain its name recognition and San Francisco Bay Area branch operations while officially becoming a division of Commercial Bank of California. The acquisition also capitalizes on CBC's successful business banking experience and pairs it with the unmatched community banking experience of CBB.

"Both of our banks are fully aligned regarding the important role that we can play to help our communities thrive," said Keller. "We're excited to collaborate with the CBC team and collectively make an ever bigger impact throughout California."

Commercial Bank of California and Community Bank of the Bay have each set up numerous programs to mentor future generations, volunteered thousands of hours, donated impactful funds and supported underserved business in their respective communities. CBB pioneered a new form of community development and reinvestment in California, and was the first financial institution to be certified as a Community Development Financial Institution (CDFI) in the state.

"Our goal is to maintain the legacies of both banks and increase our collective impact," said Mukhtar Ali, president and chief credit officer. "It's important to everyone that management remains local to each of the branches. This approach has served both banks' clients, team members and communities very well, and we do not want to disrupt that."

Community Bank of the Bay will form a new advisory board to maintain its community engagement while bank operations will be overseen by the existing Commercial Bank of California board of directors. Keller will serve as chairman and Ali will serve as president of the new CBB advisory board. Together, they will work to build out an advisory board of local leaders who align with the bank's mission.

The transaction is expected to close in late 2024 or early 2025 upon receipt of required regulatory approvals, shareholder approvals from CBC Bancorp and Bay Community Bancorp and the satisfaction of closing conditions. Raymond James & Associates Inc. served as financial advisor to CBC Bancorp and Husch Blackwell LLP acted as its legal advisor in the transaction. Janney Montgomery Scott LLC served as financial advisor to Bay Community Bancorp and Spierer, Woodward, Corbalis & Goldberg acted as its legal advisor in the transaction.

"We are excited to get started with the CBB team," said Patel. "Together we will build one of the best banking institutions in California with a focus on relationships, purpose, innovation and impact. We're officially on our purposeful journey to building a \$5 billion bank!"

About Commercial Bank of California

Commercial Bank of California is a full-service bank and diversified financial services company serving the business and professional communities of Los Angeles and Orange counties. Recognized as a BauerFinancial, Inc. "Four-Star Excellent 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. CBC is heavily focused on community reinvestment and has been named one of So Cal's Best Places to Work in 2022 and 2023. For more information, please visit www.cbcal.com.

About Community Bank of the Bay

Bay Community Bancorp (OTCPink: CBOBA) is the parent company of Community Bank of the Bay, a San Francisco Bay Area commercial bank with full-service offices in Oakland, Danville, San Mateo and San Jose. Community Bank of the Bay serves the financial needs of closely held businesses and professional service firms, as well as their owner-operators and non-profit organizations throughout the San Francisco Bay Area. Community Bank of the Bay is a member of the FDIC, an SBA Preferred Lender, and a CDARS depository institution, headquartered in Oakland. It is also California's first FDIC-insured certified Community Development Financial Institution. The bank is recognized for establishing the Bay Area Green Fund to provide financing to sustainable businesses and projects and supports environmentally responsible values. Additional information on the bank is available online at www.BankCBB.com.

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.

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